



Business Message Standard (BMS) Performance Measurement

BMS Release: 2.5.0 , BRG Name: eCom

Issue 0.1.4, 26-Oct-2009



Document Summary

Document Item	Current Value
Document Title	Business Message Standard (BMS)
BMS Name	Performance Measurement
BMS Release	2.5.0
BRG Name	eCom
Document Number	Issue 0.1.4
Date Last Modified	26-Oct-2009
Status	Approved
Owner	eCom BRG
BMS Template Version	1.8

Change Request Reference

Date of CR Submission to GSMP:	CR Submitter(s):	Refer to Change Request (CR) Number(s):
13 - Jul - 2007	John Ryu, GS1	07-000283

Business Requirements Document (BRAD) Reference

BRAD Title:	BRAD Date:	BRAD Version
BRAD Trading Partner Performance Management	Nov 2008	Issue 1.0.0
BRAD Common Library		BMS Release Version 2.5.0

Document Change History

Date of Change	Version	Changed By	Reason for Change	Summary of Change	Model Build #
23-Mar-2009	0.1.0	John Ryu	Initial Version in BMS/BSD template	Initial Draft for discussion in GSMP JAG LA F2F Meeting	
15- Apr-2009	0.1.1	John Ryu	Updated based on F2F Meeting	Noted in summary of changes	
05-May-2009	0.1.2	John Ryu	Updated based on Modeller Peer Review	Noted in summary of changes	11021
08-July-2009	0.1.3	John Ryu	eBallot Approved	Updated based on public review comments Noted in summary of changes	BSD P4CL: 11136
26-Oct-2009	0.1.4	John Ryu	Errata Update	Updated based on pilot review Noted in summary of changes	BSD p4CL: 11349

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1. Business Domain View

1.1. Problem Statement / Business Need

Buyers and sellers in long-term trading relationships often share business measures to evaluate their performance or identify business issues and opportunities. Trading partner performance measures may be shared as part of a larger structured business process framework such as Collaborative Planning Forecasting and Replenishment (CPFR[®]), or an industry initiative such as New Ways of Working Together (NWWT).

The Performance Measurement message allows trading partners to identify goals for the measures that they wish to share, as well as exchange the values for those measures. The scope of the message includes key measures of Sales, Operations, Supply Chain, and Data Accuracy performance, including any of the following specific measures:

Sales

1. Sales Growth (%)
2. Share (%)
3. Retail Item Gross Margin (%)
4. Retail Gross Profit Margin (%)
5. Forecast Accuracy (%)
6. Markdown (%)

Supply Chain

7. Out of Stock (%)
8. Service Level / Fill Rate (%)
9. Order to Delivery Cycle Time (Hours)
10. On Time Delivery (%)
11. Finished Goods Inventory Cover (Days)

Operations

12. Order Item /Quantity Change (%)
13. Invoice Accuracy (%)
14. On Time Payment (%)
15. Unsaleables (%)

Data Accuracy

16. Item Master Data Accuracy (%)
17. Item Data Synchronisation (%)

[®] CPFR is a registered trademark of the Voluntary Interindustry Commerce Solutions (VICS) Association.

1.2. Objective

To supply the detail design of the Performance Measurement business transaction needed to meet the requirements of the referenced BRAD(s).

1.3. Audience

The audience for this document is anyone involved in measuring the effectiveness of trading partner relationships.

1.4. References

Reference Name	Description
Trading Partner Performance Management – BRAD Issue 1.0.0	Provide the definitions, formulas, and examples for the 17 core measures.
New Ways of Working Together Initiative (NWWT)	<i>NWWT</i> is a joint project of Procter & Gamble, J.M. Smucker Co., Coca-Cola, Wegmans Food Markets, Safeway, Kroger, Oracle and a number of industry associations. One of the group's initiatives has been to use common goals and common measures to drive opportunities for growth and avoid issues that could lead to disruptions. Several of the TPPM core measures were based on the Common Goals and Common Measures identified in the NWWT initiative.
VICS Collaborative Planning Forecasting and Replenishment (CPFR®), Global Commerce Initiative Recommendation, June 30, 2001	A not-for-profit association with a mission to take a global leadership role in the development of business guidelines and specifications; facilitating implementation through education and measurement, resulting in the improvement of the retail supply chain efficiency and effectiveness, which meet or exceed customer and consumer expectations. GS1 US is the secretariat to the Voluntary Interindustry Commerce Solutions Association.

1.5. Acknowledgements

1.5.1. TPPM Work Group

Function	Name	Company / Organisation
Work Group Chair	Matt Johnson	Oracle
Work Group Process Manager	John Ryu	GS1 Global Office
Work Group Participant	Kraig Adams	The Coca-Cola Company
Work Group Participant	Joe Andraski	VICS
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Work Group Participant	Mike Beer	General Mills
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Work Group Participant	Stacy Cashman	Johnson & Johnson

Function	Name	Company / Organisation
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Work Group Participant	Wayne Garzancich	Daymon Worldwide
Work Group Participant	Paula Giovannetti	Industrial Supply Association
Work Group Participant	Mike Gross	Wegmans Food Markets
Work Group Participant	Bruce Hawkins	Wal-Mart
Work Group Participant	Ivano Harris	Brown - Forman
Work Group Participant	Mike Kantor	Trade Promotion Management Association
Work Group Participant	Paul Koch	Wegmans Food Markets
Work Group Participant	Mary Lou McCleese	Johnson & Johnson
Work Group Participant	Don Mowery	Nestle Purina PetCare
Work Group Participant	Olivier Mouton	Carrefour
Work Group Participant	Wayne Munn	Axway
Work Group Participant	Marie Perry	Coca-Cola Enterprises
Work Group Participant	Jason Rexroat	Georgia Pacific
Work Group Participant	Giselle Rosario	GS1 Mexico
Work Group Participant	Beth Scheid	Procter & Gamble
Work Group Participant	Ayako Shimazaki	GS1 Japan
Work Group Participant	Olivier Siard	1SYNC
Work Group Participant	Kaori Watanabe	Ajinomoto
Work Group Participant	Richard Webb	Cadbury
Work Group Participant	Cate Zottola	General Mills

1.5.2. Design Team Members

Function	Name	Organisation
Modeler	John Ryu	GS1
XML Technical Designer	Dipan Anarkat	GS1
EANCOM Technical Designer	Not Applicable	Not Applicable
Peer Reviewer	Lisa Herrick	GS1

2. Business Context

Context Category	Value(s)
Industry	All
Geopolitical	All
Product	All
Process	eCom Plan

Context Category	Value(s)
System Capabilities	GS1 Standard
Official Constraints	None

3. Additional Technical Requirements Analysis

Not Applicable

4. Business Transaction View

The Buyer and Seller utilize standardised calculation methods and nomenclature to describe the performance of their trading relationship, and explicitly identify the levels of detail, time period and other parameters used. Performance may be evaluated relative to goals that the Buyer and Seller have shared, utilizing the same level of detail, time period, and parameters as the results data. Further root cause analysis is done where needed.

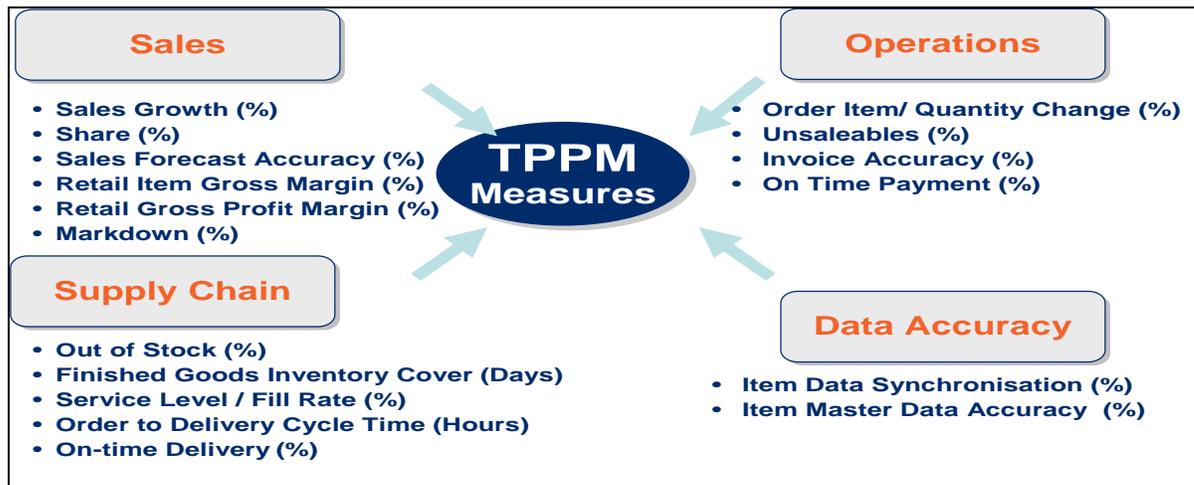


Figure 4-1 TPPM Measures

4.1. Business Transaction Use Case Diagram

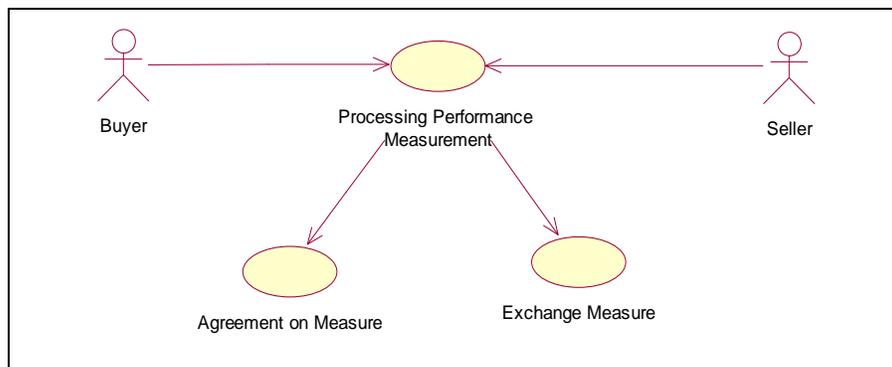


Figure 4-2 Processing Performance Measurement Use Case Diagram

4.1.1. Use Case Definition: Processing Performance Measurement

Use Case ID	UC-1												
Use Case Name	Processing Performance Measurement												
Use Case Description	The objective is for a pair of trading partners to elaborate upon operational conditions and key metrics that would identify business issues or achievements.												
Actors (Goal)	Performance Measurement is a two-actor system involving a collaborative effort between a buyer and a seller across one or more locations. The lead actor in the collaboration depends upon the scenario most appropriate to the trading partner's business situation.												
Performance Goals	The ability to exchange performance goals and results.												
Preconditions	A collaboration agreement and joint business plan must be in place. If goals are to be exchanged, they must be prepared and received by the trading partners.												
Post conditions	<p>Successful Condition: Trading partners review their performance and take corrective action when necessary.</p> <p>Unsuccessful Condition: Operational activities and key metrics are not exchanged, preventing trading partners from reviewing their performance.</p>												
Scenario	<p>Begins with the receipt of data by one of the Actors</p> <p>Continues with...</p> <table border="1"> <thead> <tr> <th>Step #</th> <th>Actor</th> <th>Activity Step</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Buyer, Seller</td> <td>Calculates performance results.</td> </tr> <tr> <td>2</td> <td>Buyer, Seller</td> <td>Transmits Performance Measurement message</td> </tr> <tr> <td>3</td> <td>Buyer, Seller</td> <td>Reviews performance relative to goals (if provided).</td> </tr> </tbody> </table> <p>Ends with corrective action to improve performance, if required.</p>	Step #	Actor	Activity Step	1	Buyer, Seller	Calculates performance results.	2	Buyer, Seller	Transmits Performance Measurement message	3	Buyer, Seller	Reviews performance relative to goals (if provided).
Step #	Actor	Activity Step											
1	Buyer, Seller	Calculates performance results.											
2	Buyer, Seller	Transmits Performance Measurement message											
3	Buyer, Seller	Reviews performance relative to goals (if provided).											
Alternative Scenario	Not Applicable												
Related Requirements	Not Applicable												
Related Rules	Not Applicable												

4.1.2. Use Case Definition: Agreement on Measure

Use Case ID	UC-1.1
Use Case Name	Agreement on Measure
Use Case Description	The objective is for a pair of trading partners to agree on which measure to track.
Actors (Goal)	Performance Measurement is a two-actor system involving a collaborative effort between a buyer and a seller across one or more locations. The lead actor in the collaboration depends upon the scenario most appropriate to the trading partner's business situation.
Performance Goals	The ability to agree on the measure selection.
Preconditions	A collaboration agreement and joint business plan must be in place. There must be an agreement from buyer and seller to process Performance Measurement.

Post conditions	<p><u>Successful Condition:</u> Trading partners agree to the measure and plan to exchange the information.</p> <p><u>Unsuccessful Condition:</u> Trading partners cannot agree to the measure.</p>																		
Scenario	<p>Begins with the precondition with an agreement from and seller to process performance measurement.</p> <p>Continues with...</p> <table border="1" data-bbox="440 495 1459 768"> <thead> <tr> <th>Step #</th> <th>Actor</th> <th>Activity Step</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Joint</td> <td>Agree on measure with item and location</td> </tr> <tr> <td>2</td> <td>Decision</td> <td>Determine who is the owner of the data?</td> </tr> <tr> <td>3</td> <td>Buyer, Seller</td> <td>Determine on level of detail to track</td> </tr> <tr> <td>4</td> <td>Buyer, Seller</td> <td>Determine parameters for each measure</td> </tr> <tr> <td>5</td> <td>Buyer, Seller</td> <td>Determine frequency of updates.</td> </tr> </tbody> </table> <p>Ends with plans to exchange this information.</p>	Step #	Actor	Activity Step	1	Joint	Agree on measure with item and location	2	Decision	Determine who is the owner of the data?	3	Buyer, Seller	Determine on level of detail to track	4	Buyer, Seller	Determine parameters for each measure	5	Buyer, Seller	Determine frequency of updates.
Step #	Actor	Activity Step																	
1	Joint	Agree on measure with item and location																	
2	Decision	Determine who is the owner of the data?																	
3	Buyer, Seller	Determine on level of detail to track																	
4	Buyer, Seller	Determine parameters for each measure																	
5	Buyer, Seller	Determine frequency of updates.																	
Alternative Scenario	Receive Performance Measurement Message without measure results data.																		
Related Requirement	Not Applicable																		
Related Rule	Not Applicable																		

4.1.3. Activity Diagram: Agreement on Measure

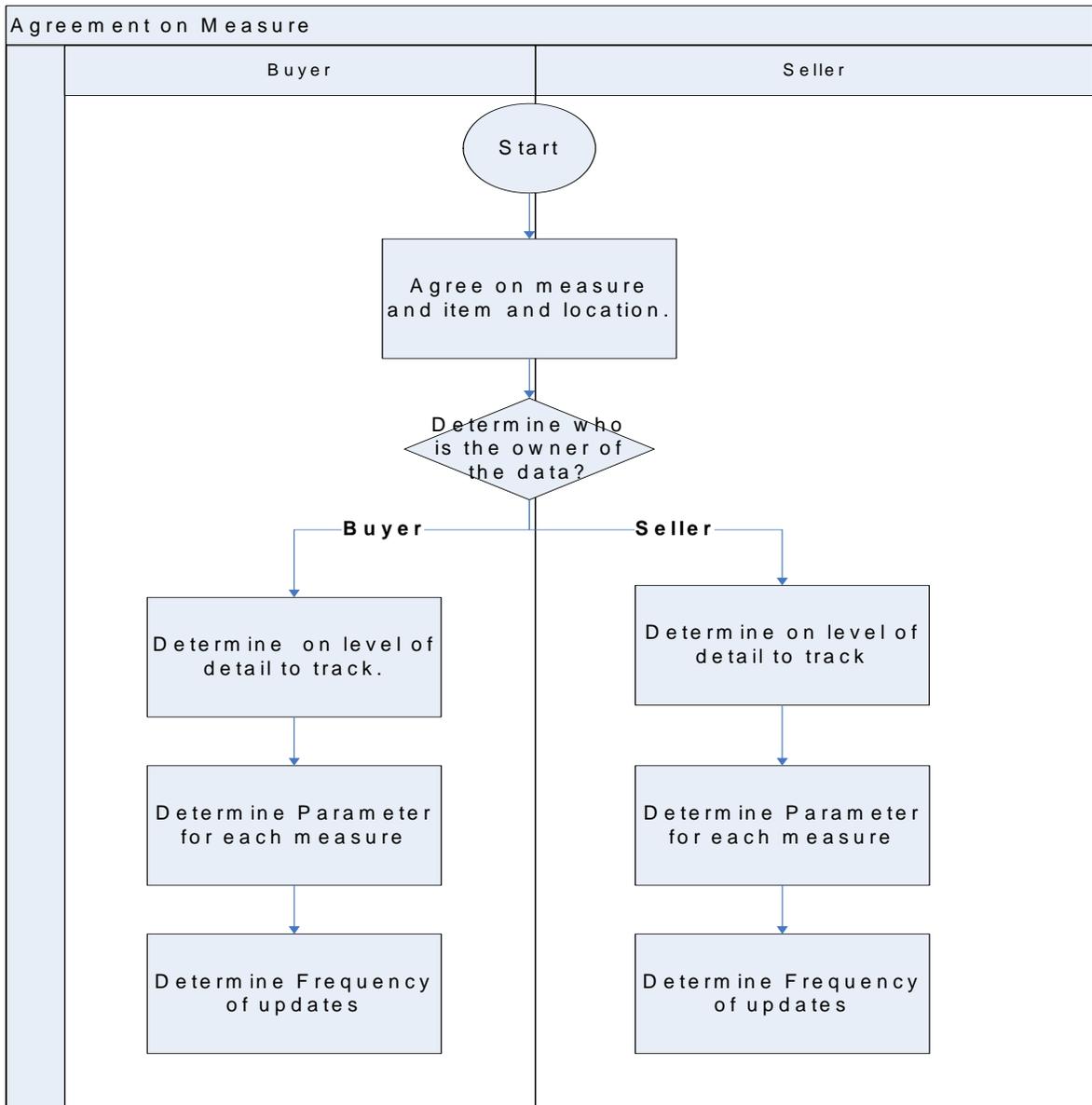


Figure 4-3 Activity Diagram Agreement on Measure

4.1.4. Use Case Definition: Exchange Measure

Use Case ID	UC-1.2
Use Case Name	Exchange Measure
Use Case Description	The objective is for a pair of trading partners to exchange measure information.
Actors (Goal)	Performance Measurement is a two-actor system involving a collaborative effort between a buyer and a seller across one or more locations. The lead actor in the collaboration depends upon the scenario most appropriate to the trading partner's business situation.
Performance Goals	The ability to exchange performance goals and results.
Preconditions	There must be an agreement on which measure is to be exchanged.

Post conditions	<p><u>Successful Condition:</u> Trading partners can exchange measure information.</p> <p><u>Unsuccessful Condition:</u> Trading partners can not exchange measure information.</p>															
Scenario	<p>Begins with the agreement on measure to be exchanged In the example below the Buyer is the data source. Continues with...</p> <table border="1" data-bbox="440 512 1458 741"> <thead> <tr> <th data-bbox="440 512 537 562">Step #</th> <th data-bbox="537 512 737 562">Actor</th> <th data-bbox="737 512 1458 562">Activity Step</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 562 537 606">1</td> <td data-bbox="537 562 737 606">Buyer</td> <td data-bbox="737 562 1458 606">Reference definition/ formulas/ parameter</td> </tr> <tr> <td data-bbox="440 606 537 651">2</td> <td data-bbox="537 606 737 651">Buyer</td> <td data-bbox="737 606 1458 651">Determine what raw data is needed</td> </tr> <tr> <td data-bbox="440 651 537 695">3</td> <td data-bbox="537 651 737 695">Buyer, Seller</td> <td data-bbox="737 651 1458 695">Gather raw data and calculate measure result</td> </tr> <tr> <td data-bbox="440 695 537 741">4</td> <td data-bbox="537 695 737 741">Buyer</td> <td data-bbox="737 695 1458 741">Transmit measure result via Performance Measurement</td> </tr> </tbody> </table> <p>Ends with Seller receiving the Performance Measurement Message which contains the measures.</p>	Step #	Actor	Activity Step	1	Buyer	Reference definition/ formulas/ parameter	2	Buyer	Determine what raw data is needed	3	Buyer, Seller	Gather raw data and calculate measure result	4	Buyer	Transmit measure result via Performance Measurement
Step #	Actor	Activity Step														
1	Buyer	Reference definition/ formulas/ parameter														
2	Buyer	Determine what raw data is needed														
3	Buyer, Seller	Gather raw data and calculate measure result														
4	Buyer	Transmit measure result via Performance Measurement														
Alternative Scenario	Not Applicable															
Related Requirement	Not Applicable															
Related Rule	Not Applicable															

4.1.5. Activity Diagram: Exchange Measure

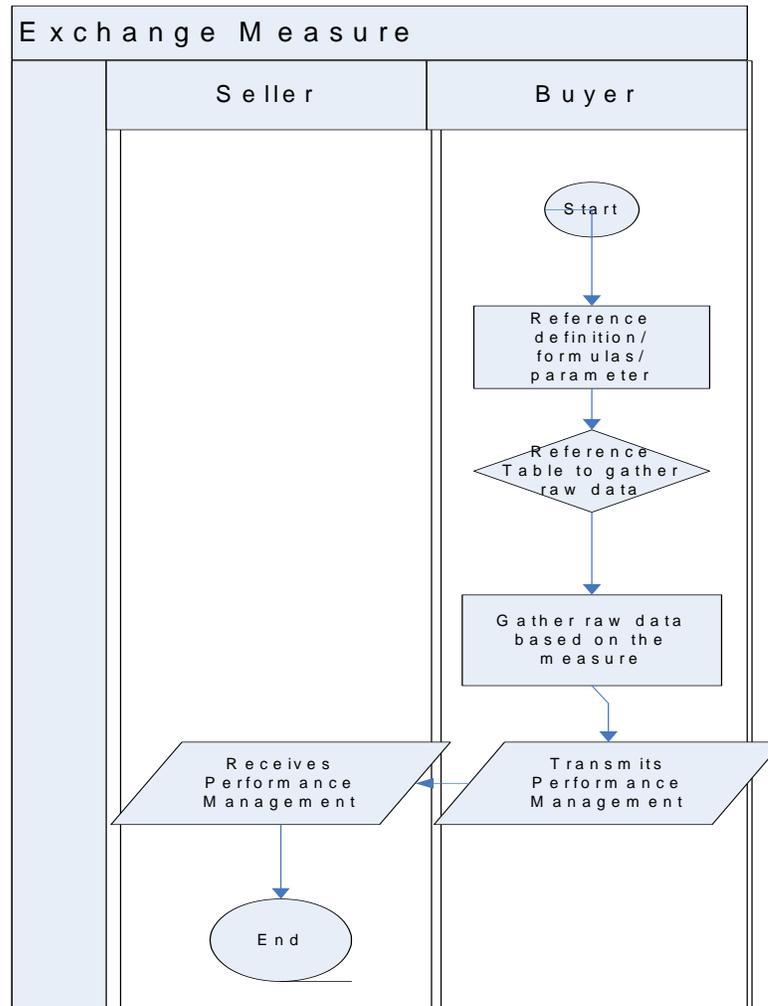


Figure 4-4 Activity Diagram Exchange Measure

4.2. Business Transaction Activity Diagram(s)

Not Applicable

4.3. Business Transaction Sequence Diagram(s)

Not Applicable

5. Information Model

5.1. GDD Report: Performance Measurement

Class (ABIE)	Attribute (BBIE)	Association (ASBIE)	Secondary Class	Official Dictionary Entry Name	Definition	Multi plicity	Data Type Components	Related Requirements	Facets
DeliveryParameter				Delivery Parameter. Details	Provides the delivery parameter information.				
	appointmentTimeMeasurementBasisType			Delivery Parameter.Appointment Time Measurement Basis Type.Appointment Time Measurement Basis_ Code	Specifies whether an on-time delivery calculation considers the appointment date time to be the latest time that the delivery can arrive (the default option), or the center of a delivery window that allows delivers before or after the appointment time by an amount indicated by the Appointment Window parameter	1..1	Code. Content		Facets constrained by code list values
	deliveryTimeMeasurementBasisType			Delivery Parameter.Delivery Time Measurement Basis Type.Delivery Time Measurement Type List_ Code	Indicates the source of the date to be used to determine whether a delivery was on-time (the original P.O. need-by date, the first scheduled appointment date or the last scheduled appointment date).	1..1	Code. Content		Facets constrained by code list values
ForecastParameter				Forecast Parameter. Details	Provides the parameter related to forecast.				
	forecastLag			Forecast Parameter.Forecast Lag.NonNegativeInteger_ Numeric	Specifies the minimum age of a forecast that is to be compared with actual sales for accuracy measurement.	1..1	Numeric. Content		
	forecastPurposeType			Forecast Parameter.Forecast Purpose Type.Forecast Purpose Criteria Type_ Code	Specifies whether the forecast is for the amount sold, received or shipped.	1..1	Code. Content		Facets constrained by code list values
	forecastType			Forecast Parameter.Forecast Type.Forecast	Specifies whether the forecast pertains to all items in the period, only item/location combinations on promotion during the	1..1	Code. Content		Facets constrained by

Class (ABIE)	Attribute (BBIE)	Association (ASBIE)	Secondary Class	Official Dictionary Entry Name	Definition	Multi plicity	Data Type Components	Related Requirements	Facets
				Type_ Code	period, or non-promoted items.				code list values
InventoryP arameter				Inventory Parameter. Details	Provides the inventory parameter information.				
	demandEsti mationType			Inventory Parameter.Deman d Estimation Type.Demand Estimation Type List_ Code	Specifies the technique used to estimate demand when measuring inventory cover.	1..1	Code. Content		Facets constrained by code list values
	inventoryMe asurementB asisType			Inventory Parameter.Invent ory Measurement Basis Type.Inventory Measurement Basis Type List_ Code	Indicator of whether the inventory included in an inventory cover calculation includes inbound (pipeline) inventory.	1..1	Code. Content		Facets constrained by code list values
ItemScope Parameter				Item Scope Parameter. Details	Provides the item scope parameter information.				
	itemScopeT ype			Item Scope Parameter.Item Scope Type.Item Scope Type List_ Code	Specifies the type of item scope (brand, category, etc.) of a goal or measure value.	1..1	Code. Content		Facets constrained by code list values
	itemScopeV alue			Item Scope Parameter.Item Scope Value.Text	Identifier that indicates the scope of the data being communicated in terms of the item (product) dimension.	0..1	Text. Content		Minlength= 1 Maxlength= 70
LocationSc opeParame ter				Location Scope Parameter. Details	Provides the parameter related to location scope.				
	locationScop eParameter Type			Location Scope Parameter.Locatio n Scope Parameter Type.Location Scope Parameter Type List_ Code	Determines the role of a facility or group of facilities specified in the performance measurement. Depending on the measure selected, multiple location scope selections may be required to fully identify the range of facilities that should be included.	1..1	Code. Content		Facets constrained by code list values
	locationScop eType			Location Scope Parameter.Locatio n Scope	Specifies the type of location scope (store, region, chain) of a goal or measure value.	1..1	Code. Content		Facets constrained by

Class (ABIE)	Attribute (BBIE)	Association (ASBIE)	Secondary Class	Official Dictionary Entry Name	Definition	Multi plicity	Data Type Components	Related Requirements	Facets
				Type.Location Scope Type List_ Code					code list values
		locationScope	PartyIdentification	Location Scope Parameter. Details. Location Scope. Party Identification	Identifier that indicates the scope of the data being communicated in terms of the location (organization/geography) dimension	0..1			
MasterData SynchronisationParameter				Master Data Synchronisation Parameter. Details	Provides the parameter related to master data synchronisation.				
	synchronisationCalculationType			Master Data Synchronisation Parameter.Synchronisation Calculation Type.Synchronisation Calculation Type List_ Code	Indicates whether the item data synchronization percentage calculation was based on the total number of items, or the incremental number of items synchronised.	1..1	Code. Content		Facets constrained by code list values
OutOfStockParameter				Out Of Stock Parameter. Details	Provides the parameter related to out of stock measurements.				
	outOfStockMeasurementMethodType			Out Of Stock Parameter.Out Of Stock Measurement Method Type.Out Of Stock Measurement Type List_ Code	Specifies the technique used to measure the out of stock percentage being reported.	1..1	Code. Content		Facets constrained by code list values
PerformanceMeasure				Performance Measure. Details	Provides the performance measure and related parameters.				
	performanceMeasureGoal			Performance Measure.Performance Measure Goal.Measure	Provides the ability for trading partners to identify goals for the measures that they wish to share.	0..1	Measure. Content Measure Unit. Code Measure Unit. Code List Version. Identifier		Facets constrained by code list values
	performanceMeasureResult			Performance Measure.Performance Measure Result.Measure	Provides the ability for trading partners to identify results for the measures that they wish to share.	0..1	Measure. Content Measure Unit. Code		Facets constrained by code list

Class (ABIE)	Attribute (BBIE)	Association (ASBIE)	Secondary Class	Official Dictionary Entry Name	Definition	Multiplicity	Data Type Components	Related Requirements	Facets
							Measure Unit. Code List Version. Identifier		values
	performanceMeasureType			Performance Measure. Performance Measure Type. Performance Measure Type List_ Code	Specifies the type of performance measure.	1..1	Code. Content		Facets constrained by code list values
			DeliveryParameter	Performance Measure. Details. Association. Delivery Parameter. Details	Provides the delivery parameter associated to the performance measure.	0..1			
			ForecastParameter	Performance Measure. Details. Association. Forecast Parameter. Details	Provides the parameter related to forecast.	0..1			
			InventoryParameter	Performance Measure. Details. Association. Inventory Parameter. Details	Provides the related inventory parameter information.	0..1			
		itemContext	ItemScopeParameter	Performance Measure. Details. Item Context. Item Scope Parameter. Details	Identifier of the range of items over which the share is being measured.	0..1			
		itemSelection	ItemScopeParameter	Performance Measure. Details. Item Selection. Item Scope Parameter. Details	Identifier that indicates the scope of the data being communicated in terms of the item (product) dimension	0..1			
			LocationScopeParameter	Performance Measure. Details. Association. Location Scope Parameter.	Provides the parameter related to location scope.	0..*			

Class (ABIE)	Attribute (BBIE)	Association (ASBIE)	Secondary Class	Official Dictionary Entry Name	Definition	Multi plicity	Data Type Components	Related Requirements	Facets
				Details					
			MasterData SynchronisationParameter	Performance Measure. Details. Association. Master Data Synchronisation Parameter. Details	Provides the parameter related to master data synchronisation.	0..1			
			OutOfStock Parameter	Performance Measure. Details. Association. Out Of Stock Parameter. Details	Provides the parameter related to out of stock measurements.	0..1			
			PeriodicityParameter	Performance Measure. Details. Association. Periodicity Parameter. Details	Provides the periodicity parameter information.	0..1			
			SalesParameter	Performance Measure. Details. Association. Sales Parameter. Details	Provides the parameter related to sales.	0..1			
			ServiceLevelParameter	Performance Measure. Details. Association. Service Level Parameter. Details	Provides the parameters related to service level.	0..1			
			TimePeriod Parameter	Performance Measure. Details. Association. Time Period Parameter. Details	Provides the time period associated with the specified performance measure.	1..1			
PerformanceMeasurement				Performance Measurement. Details	Provides the performance measurement details with the performance measure and related parameters.				
			Document	Performance Measurement. Details. Inheritance. Electronic_ Document	Used to specify basic information about the content of the message including version number; creation date and time.	1..1			

Class (ABIE)	Attribute (BBIE)	Association (ASBIE)	Secondary Class	Official Dictionary Entry Name	Definition	Multi plicity	Data Type Components	Related Requirements	Facets
		buyer	PartyIdentification	Performance Measurement. Details. buyer. Party Identification	Party, which buys products or services from a seller.	0..1			
		seller	PartyIdentification	Performance Measurement. Details. Seller. Party Identification	Party, which sells products or services to a buyer.	0..1			
			PerformanceMeasure	Performance Measurement. Details. Association. Performance Measure. Details	Provides the performance measures.	1..*			
PeriodicityParameter				Periodicity Parameter. Details	Provides the parameter related to periodicity.				
	periodicityType			Periodicity Parameter.Periodicity Type.Periodicity Type List_ Code	Specifies the time unit of measure of a result.	1..1	Code. Content		Facets constrained by code list values
SalesParameter				Sales Parameter. Details	Provides the parameter related to sales.				
	salesMeasurementType			Sales Parameter.Sales Measurement Type.Sales Measurement Type List_ Code	Indicates whether the values used in the calculation are on a volume (unit) basis, or value (monetary) basis.	1..1	Code. Content		Facets constrained by code list values
	salesMonetaryBasisCurrencyCode			Sales Parameter.Sales Monetary Basis Currency Code.ISO4217_ Code	Indicates the sales measurement currency.	0..1	Code. Content		
	salesVolumeUnitOfMeasure			Sales Parameter.Sales Volume Unit Of Measure.Text	Indicates the sales volume unit of measure.	0..1	Text. Content		Minlength= 1 Maxlength= 3
ServiceLevelParameter				Service Level Parameter.	Provides the parameters related to service level.				

Class (ABIE)	Attribute (BBIE)	Association (ASBIE)	Secondary Class	Official Dictionary Entry Name	Definition	Multi plicity	Data Type Components	Related Requirements	Facets
r				Details					
	serviceLevelBasisType			Service Level Parameter.Service Level Basis Type.Service Level Basis Type List_ Code	Indicator of the basis for which a Service Level is to be calculated – in terms of the percentage of orders filled 100%, the percentage of order lines filled 100%, or the percentage volume of product filled vs. ordered	1..1	Code. Content		Facets constrained by code list values
	serviceLevelMeasurementBasisType			Service Level Parameter.Service Level Measurement Basis Type.Service Level Measurement Type List_ Co	Indicates whether a fill rate / service level calculation is based upon the quantity shipped or quantity received.	1..1	Code. Content		Facets constrained by code list values
TimePeriodParameter				Time Period Parameter.Details	Provides the time period parameter for the performance measure type.				
	timePeriodScopeType			Time Period Parameter.Time Period Scope Type.Time period Scope Type List_ Code	Specifies the type of time period of a goal or measure value.	1..1	Code. Content		Facets constrained by code list values
			TimeOrDateTimePeriod	Time Period Parameter.Details.Association. Time Or Date Time Period	Provides the time period format.	1..1			

5.2. Class Diagram

5.2.1. Performance Measurement

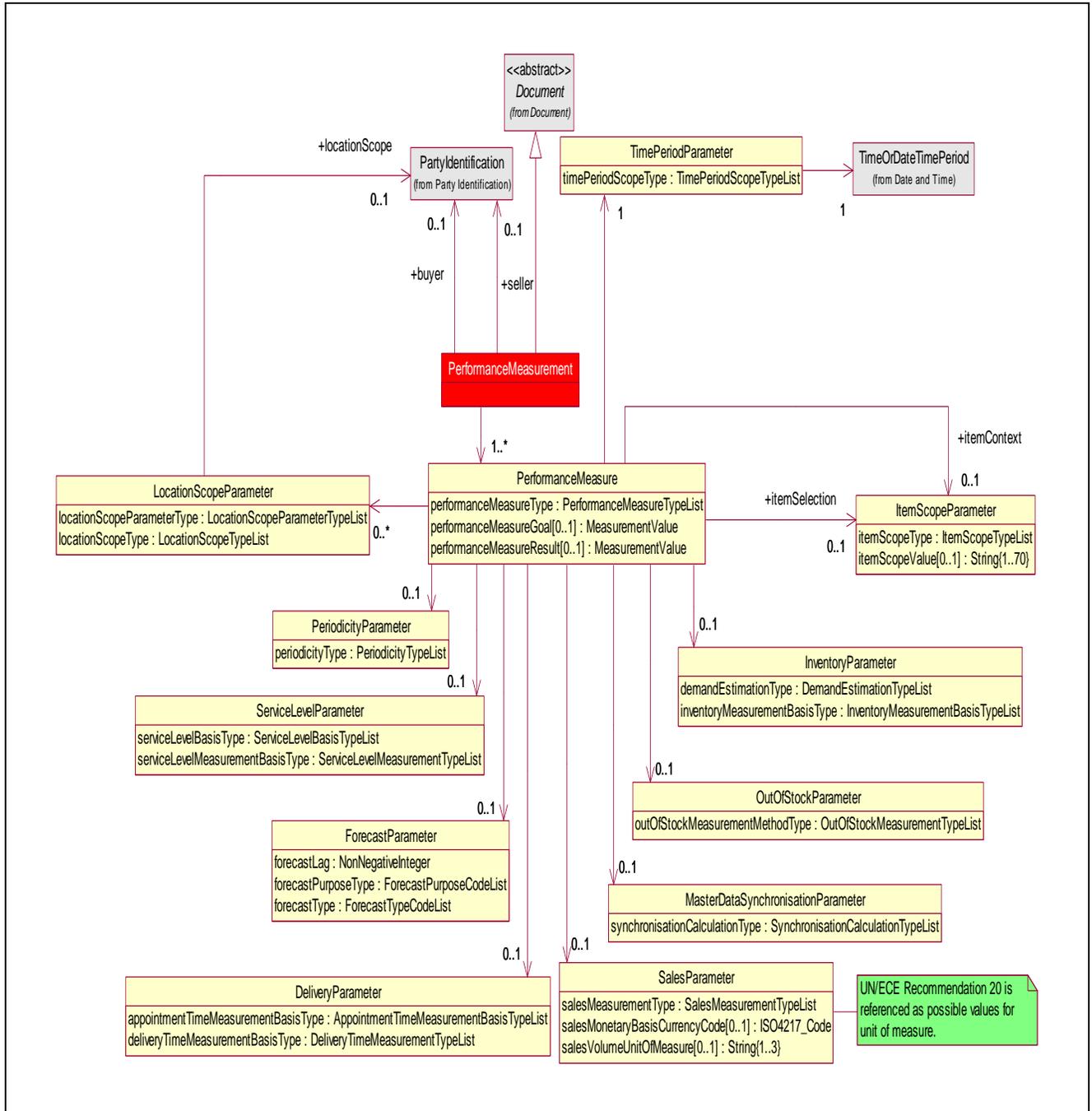


Figure 5-1 Performance Measurement

Note: Reference Common Library Business Message (BMS) Release 2.5.0 for all common information.

5.3. Code Lists

 **Note:** Reference Common Library Business Message Release 2.5.0 for all Code Lists

These code lists are new additions to BMS version 2.5.0 besides Entity Type List, Forecast Purpose Code List and Forecast Type Code List. All new code lists have been added to Common Library BMS Release 2.5.0 and this section is for reference purpose only. The Code Lists will be maintained in the Common Library.

5.3.1. Appointment Time Measurement Basis Type List

Specifies whether an on-time delivery calculation considers the appointment date time to be the latest time that the delivery can arrive (the default option), or the centre of a delivery window that allows deliveries before or after the appointment time by an amount indicated by the Appointment Window parameter.

Code Value	Code Definition
APPOINTMENT_WINDOW	If the delivery occurs before or after the indicated appointment date and time by less than the number of minutes given by the Appointment Window parameter, it is considered to be on time.
DEADLINE	The appointment date and time represent the latest instance that the delivery can arrive and still be considered on time.

5.3.2. Delivery Time Measurement Type List

Indicates the source of the date to be used to determine whether a delivery was on-time (the original P.O. need-by date, the first scheduled appointment date or the last scheduled appointment date).

Code Value	Code Definition
FIRST_APPOINTMENT_DATE_TIME	First negotiated appointment date and time
LAST_APPOINTMENT_DATE_TIME	Last negotiated appointment date and time
PO_NEED_BY_DATE	Desired delivery date as expressed in the purchase order

5.3.3. Demand Estimation Type List

Specifies the technique used to estimate demand when measuring inventory cover.

Code Value	Code Definition
FORECAST_BASIS	Demand estimate is based upon a forecast
HISTORICAL_BASIS	Demand estimate is based upon historical results

5.3.4. Entity Type List (Reuse)

Code Value	Code Definition
1_BUYER_RECONCILIATION_OF_REQUEST_FOR_PAYMENT	N/A
10_CONFIRMATION_OF_SETTLEMENT_INSTRUCTIONS	Not Available
11_CONTROL_TOTAL	Not Available

Code Value	Code Definition
12_DATA_SYNCHRONISATION_DATA_POOL_PROFILE	Not Available
13_DATA_SYNCHRONISATION_ERROR	Not Available
14_DEBIT_CREDIT_ADVICE	Not Available
15_DESPATCH_ADVICE	Not Available
16_EANUCC_RESPONSE	Not Available
17_EVENT	Not Available
18_EXCEPTION_CRITERIA	Not Available
19_EXCEPTION_NOTIFICATION	Not Available
2_CARRIER_ROUTING_INSTRUCTION	N/A
20_FINANCIAL_INSTITUTION_CONTROL_TOTAL	Not Available
21_FORECAST	Not Available
22_FORECAST_BULK_DATA	Not Available
23_FORECAST_REVISION	Not Available
24_FTL_LOAD_TENDER_RESPONSE	Not Available
25_FTL_LTL_SHIPMENT_STATUS	Not Available
26_FTL_LTL_SHIPMENT_STATUS_INQUIRY	Not Available
27_FULL_TRUCKLOAD_FREIGHT_INVOICE	Not Available
28_FULL_TRUCKLOAD_LOAD_TENDER	Not Available
29_GDSN_EXCEPTION	Not Available
3_CATALOGUE_ITEM_CONFIRMATION	Not Available
30_INVENTORY_ACTIVITY_OR_INVENTORY_STATUS	Not Available
31_LESS_THAN_TRUCKLOAD_FREIGHT_INVOICE	Not Available
32_LTL_CARRIER_BILL_OF_LADING	Not Available
33_MOTOR_FUEL_CARRIER_BILL_OF_LADING	Not Available
34_MULTI_SHIP_TO_ORDER	Not Available
35_ORDER	Not Available
36_ORDER_RESPONSE	Not Available
37_PARTY_CONFIRMATION	Not Available
38_PARTY_DOCUMENT	Not Available
39_PARTY_NOTIFICATION	Not Available
4_CATALOGUE_ITEM_LINK	Not Available
40_PARTY_PUBLICATION	Not Available
41_PARTY_REGISTRATION	Not Available
42_PARTY_REGISTRATION_RESPONSE	Not Available

Code Value	Code Definition
43_PARTY_SUBSCRIPTION	Not Available
44_PERFORMANCE_HISTORY	Not Available
45_PICKUP_NOTIFICATION_LTL	Not Available
46_PRICE_BRACKET_DOCUMENT	Not Available
47_PRICE_DOCUMENT	Not Available
48_PRODUCT_ACTIVITY	Not Available
49_PRODUCT_ACTIVITY_BULK_DATA	Not Available
5_CATALOGUE_ITEM_NOTIFICATION	Not Available
50_RECEIVING_ADVICE	Not Available
51_REGISTRY_CATALOGUE_ITEM	Not Available
52_REPLENISHMENT_PROPOSAL	Not Available
53_REPLENISHMENT_REQUEST	Not Available
54_REQUEST_FOR_CATALOGUE_ITEM_NOTIFICATION	Not Available
55_REQUEST_FOR_PARTY_NOTIFICATION	Not Available
56_REQUEST_FOR_PAYMENT	Not Available
57_RETAIL_EVENT	Not Available
58_SEARCH_REQUEST	Not Available
59_SEARCH_RESULT	Not Available
6_CATALOGUE_ITEM_PUBLICATION	Not Available
60_SETTLEMENT	Not Available
61_SIMPLE_INVOICE	Not Available
62_SMALL_PACKAGE_CARRIER_FREIGHT_INVOICE	Not Available
63_SMALL_PACKAGE_PICKUP_MANIFEST	Not Available
64_SPC_SHIPMENT_STATUS	Not Available
65_SPC_SHIPMENT_STATUS_INQUIRY	Not Available
66_TRADE_ITEM_DOCUMENT	Not Available
67_TRADE_ITEM_INFORMATION_REQUEST	Not Available
68_TRADE_ITEM_LOCATION_PROFILE	Not Available
69_WAREHOUSE_SHIPPING_ORDER	Not Available
7_CATALOGUE_ITEM_REGISTRATION_RESPONSE	Not Available
70_PERFORMANCE_MEASUREMENT	The Performance Measurement message allows trading partners to identify goals for the measures that they wish to share, as well as exchange the values for those measures. The scope of the message includes key measures of Sales, Operations, Supply Chain, and Data Accuracy performance.
8_CATALOGUE_ITEM_SUBSCRIPTION	Not Available

Code Value	Code Definition
9_CONFIGURE_TO_ORDER	Not Available

5.3.5. Forecast Purpose Code List (Reuse)

Specifies whether the forecast is for the amount sold, received or shipped.

Code Value	Code Definition
ORDER_FORECAST	The forecast is for the expected receipt of items at the location.
SALES_FORECAST	The forecast is for the expected sales or consumption of items at the location.
SHIPMENT_FORECAST	The forecast is for shipments to the location

5.3.6. Forecast Type Code List (Reuse)

Specifies whether the forecast pertains to all items in the period, only item/location combinations on promotion during the period, or non-promoted items.

Code Value	Code Definition
BASE	The forecast includes only baseline (non-promoted) demand
PROMOTIONAL	The forecast includes only promotional demand
SEASONAL	The forecast includes only the seasonal component of total demand
TOTAL	The forecast includes all types of demand

5.3.7. Inventory Measurement Basis Type List

Indicator of whether the inventory included in an inventory cover calculation includes inbound (pipeline) inventory.

Code Value	Code Definition
ON_HAND_ONLY	Only the current on-hand balance is included in the inventory cover calculation
ON_HAND_PLUS_PIPELINE	Both the current on-hand balance as well as inbound inventory in the distribution pipeline is included in the inventory cover calculation

5.3.8. Item Scope Type List

Specifies the type of item scope (brand, category, etc.) of a goal or measure value.

Code Value	Code Definition
BRAND	All products of a specific brand
CLASS	All products that fall within a global product class or category
COLOUR	All products of a specific colour
DEPARTMENT	All products that fall within a retailer's department

Code Value	Code Definition
FLAVOUR	All products of a specific flavour
GPC	A component of GS1 GDSN. It provides the required global framework for trade item categorisation supporting global data synchronisation.
GTIN	The GS1 Identification Key used to identify trade items. The key comprises a GS1 Company Prefix followed by an Item Reference Number and a Check Digit.
ITEM	All of the style, colour, size, flavour and variety variations of a specific product
LINE_OF_BUSINESS	All products that fall within a supplier's line of business
RETAIL_CATEGORY	All products that fall within a retailer's item category
SIZE	All products of a specific size
SKU	All products that are equivalent from a retailer's stocking perspective
STYLE	All products of a specific style
SUBCLASS	All products that fall within a global product subclass or subcategory
TOTAL	All products
TRADING_RELATIONSHIP	All of the supplier's products that the customer distributes
VARIETY	All products of a specific variety

5.3.9. Location Scope Parameter Type List

Determines the role of a facility or group of facilities specified in the performance measurement. Depending on the measure selected, multiple location scope selections may be required to fully identify the range of facilities that should be included.

Code Value	Code Definition
CUSTOMER_DESTINATION_LOCATION	Filters the location scope specified by a RECEIVING_LOCATION to include only those locations of a certain type. For example, if the RECEIVING_LOCATION is CHAIN (normally all locations within the chain), CUSTOMER_DESTINATION_LOCATION can be set to DISTRIBUTION_CENTER to indicate that the locations should only include the distribution centres within the chain, not other types of locations (such as stores). Because it is a filter, CUSTOMER_DESTINATION_LOCATION does not have a corresponding location value.
LOCATION_CONTEXT	Defines the overall range of locations from which a selection of locations may be made. For example, the location context could be set to COUNTRY with a value of "FR" (France). Then if the LOCATION_SELECTION is set to CHAIN with the corporate GLN value of a retailer, the result is that only those retailer chain locations within France would be within the scope of the calculation.

Code Value	Code Definition
LOCATION_SELECTION	Describes the specific set of locations to be measured within a broader location context. For example, if the LOCATION_CONTEXT is CHANNEL, with a value of Grocery, and the LOCATION_SELECTION is POSTAL_CODE, with a value of 01742, only grocery stores within the 01742 postal code would be within the scope of the calculation.
RECEIVING_LOCATION	Identifies the facility or a range of facilities that are at the destination of a delivery.
SHIPPING_LOCATION	Identifies the facility or a range of facilities that are at the origin of a delivery.
VENDOR_LOCATION	Filters the location scope specified by a SHIPPING_LOCATION to include only those facilities of a certain type. For example, if the SHIPPING_LOCATION is SUPPLIER (normally all locations within the supplier), VENDOR_LOCATION can be set to PLANT to indicate that the locations should only include the plant shipments from the supplier, not shipments from distribution centres. Because it is a filter, VENDOR_LOCATION does not have a corresponding location value.

5.3.10. Location Scope Type List

Specifies the type of location scope (store, region, chain) of a goal or measure value.

Code Value	Code Definition
AREA	All store regions within an area
CHAIN	All locations within a retail chain
CHANNEL	All locations within a specific class of trade
CITY	All locations within the boundaries of a city
COUNTRY	All locations within a country
DISTRIBUTION_CENTRE	A specific distribution centre location
DIVISION	A specific division location.
GEOGRAPHICAL_REGION	All locations within a specified geographic region
GEOGRAPHICAL_SUBREGION	All locations within a specified geographic subregion
GLN	The GS1 Identification Key used to identify physical locations or legal entities. The key comprises a GS1 Company Prefix, Location Reference, and Check Digit.
LANE_OR_ROUTE	A specific transportation lane or route
PLANT	A specific production plant or factory location
POSTAL_CODE	All locations within a specific postal code
STATE	All locations within a state or province
STOCKING_LOCATION	A specific stocking location (e.g. shelf, display) within a store
STORE	A specific store location
STORE_CLUSTER	All locations that share a set of common characteristics (such as customer demographics)
STORE_REGION	All locations within a retailer's store region

Code Value	Code Definition
SUPPLIER	All supplier distribution locations (plant / DC)
TOTAL	All locations
ZONE	All locations within a zone

5.3.11. Out-of-Stock Measurement Type List

Specifies the technique used to measure the out of stock percentage being reported.

Code Value	Code Definition
MANUAL_AUDIT	Visual inspection of stocking locations
OTHER	Other method
PERPETUAL_INVENTORY	Estimate of on-hand balance based upon the previous inventory value, adjusted by subsequent sales and receipts
RFID_EPC	Physical count of items at stocking locations taken by radio frequency identification
SALES_DATA_ANALYSIS	Estimate of on-hand balance based upon the observed vs. expected rate of sale

5.3.12. Periodicity Type List

Specifies the time unit of measure of a result.

Code Value	Code Definition
DAY	24-hour day
HOUR	A period of time equal to 1/24th of a day
MONTH	Calendar month
QUARTER	3-month period
WEEK	Seven day week
YEAR	12-month period

5.3.13. Sales Measurement Type List

Indicates whether the values used in the calculation are on a volume (unit) basis, or value (monetary) basis.

Code Value	Code Definition
MONETARY_BASIS	Product value in monetary terms
VOLUME_BASIS	Product value in volume terms

5.3.14. Service Level Basis Type List

Indicator of the basis for which a Service Level is to be calculated – in terms of the percentage of orders filled 100%, the percentage of order lines filled 100%, or the percentage volume of product filled vs. ordered.

Code Value	Code Definition
------------	-----------------

Code Value	Code Definition
LINE	The service level calculation is based upon the percentage of order lines across all orders that were filled 100%.
ORDER	The service level calculation is based upon the percentage of orders that were filled 100%.
VOLUME	The service level calculation is based upon the percentage of units in the items base unit of measure that were filled vs. ordered.

5.3.15. Service Level Measurement Type List

Indicates whether a fill rate / service level calculation is based upon the quantity shipped or quantity received.

Code Value	Code Definition
RECEIVED_QUANTITY	The calculation is based on the quantity received.
SHIPPED_QUANTITY	The calculation is based on the quantity shipped.

5.3.16. Synchronisation Calculation Type List

Indicates whether the item data synchronization percentage calculation was based on the total number of items, or the incremental number of items synchronised.

Code Value	Code Definition
INCREMENTAL_ITEMS	The item synchronisation calculation is based upon the items added to the customer's catalogue.
TOTAL_ITEMS	The item synchronisation calculation is based upon the total number of items in the customer's catalogue.

5.3.17. Time Period Scope Type List

Specifies the type of time period of a goal or measure value.

Code Value	Code Definition
CALENDAR_MONTH	A calendar month
CALENDAR_QUARTER	A three-month calendar quarter
CALENDAR_YEAR	A calendar year
DATE_TIME	A specific moment in time
DAY	An individual day
FISCAL_MONTH	A month in terms of the sender's fiscal calendar
FISCAL_QUARTER	A three-month quarter in terms of the sender's fiscal calendar
FISCAL_YEAR	A year in terms of the sender's fiscal calendar
MONTH_TO_DATE	The range of days from the start of the current calendar month to the specified date
NUMBER_OF_DAYS	The number of days applicable for the time period.
QUARTER_TO_DATE	The range of days from the start of the current calendar quarter to the specified date

Code Value	Code Definition
ROLLING_12_WEEK_PERIOD	The 84-day period ending on the specified date
ROLLING_13_WEEK_PERIOD	The 91-day period ending on the specified date
ROLLING_4_WEEK_PERIOD	The 28-day period ending on the specified date
ROLLING_52_WEEK_PERIOD	The 364-day period ending on the specified date
SPECIFIED_TIME_PERIOD	The time period specified by the start and end date.
WEEK	A seven-day week
YEAR_TO_DATE	The range of days from the start of the current calendar year to the specified date

5.3.18. Performance Measure Type List

Specifies the type of performance measure.

Code Value	Code Definition
FINISHED_GOODS_INVENTORY_COVER	The amount of finished goods inventory at the stocking location (or locations) in terms of the estimated daily demand.
FORECAST_ACCURACY	The mean absolute percent agreement of the forecast with the actual sales, receipt or shipment quantity, expressed in unit volume or monetary terms.
INVOICE_ACCURACY	The percentage of seller invoices deemed accurate out of all invoices received
ITEM_DATA_SYNCHRONISATION	The percentage of items (including applicable trade item hierarchy) published and sold from the seller that are synchronised by the buyer via the Global Data Synchronisation Network (GDSN).
ITEM_MASTER_DATA_ACCURACY	The percentage of items with accurate physically measured dimensions and weight attributes (as provided by the seller) out of all items that were physically verified.
MARKDOWN	The percentage of monetary sales that were sold at below the normal retail price (that can include but not exclusive to) seasonal clearance, discontinuation, employee discount, response to competitive activity or other retailer-initiated price reductions.
ON_TIME_DELIVERY	The percentage of shipments that arrived on the receiver's premises within the agreed date time out of all shipments that were delivered. The first scheduled appointment date time is the recommended agreed date time, and the complete agreed date time list is available in the parameter table.
ON_TIME_PAYMENT	The percentage of payments made within a seller's terms of sale out of all payments received.
ORDER_ITEM_QUANTITY_CHANGE	The percentage of orders placed by the customer in the trading relationship that required changes in items or item quantities prior to release.
ORDER_TO_DELIVERY_CYCLE_TIME	The average length of time between order placement (fax, phone, EDI) and the time product arrived and was available for unloading at the agreed customer location.

Code Value	Code Definition
OUT_OF_STOCK	The percentage of items that is not available at their expected stocking locations out of the set of item stocking locations that were evaluated.
RETAIL_GROSS_PROFIT_MARGIN	The average percentage amount a Retailer will profit per item or group of items sold to a consumer after deducting operating expenses.
RETAIL_ITEM_GROSS_MARGIN	The average percentage amount a Retailer will earn for an item sold to a consumer before deducting operating expenses
SALES_GROWTH	The percentage increase in monetary or unit sales compared to an equivalent time period one year prior to the period being measured
SERVICE_LEVEL_FILL_RATE	The percentage of product that a buyer received or the seller shipped compared to the original ordered quantity
SHARE	The percentage of sales of a subset of items and / or locations in a broader market context, which can be defined in terms of a product category, class of trade or geography.
UNSALEABLES	The percentage of products that were removed from the primary channel of distribution due to damage, expiration, discontinuation, seasonality, promotion completion or defects.

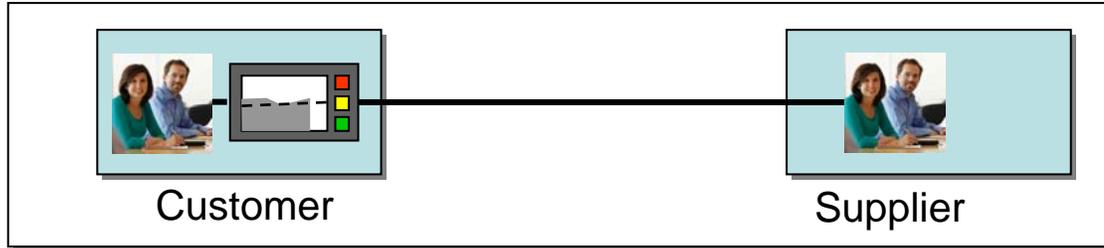
6. Business Document Example

6.1. Information Systems Deployment

There are multiple deployment options for trading partner performance management. Before starting an initiative, a buyer and seller need to select that approach that efficiently meets their mutual business requirements, enhances their ability to collaborate, leverages their existing technology capabilities while remaining agile enough to meet evolving demands, and allows all this to happen in a secure environment.

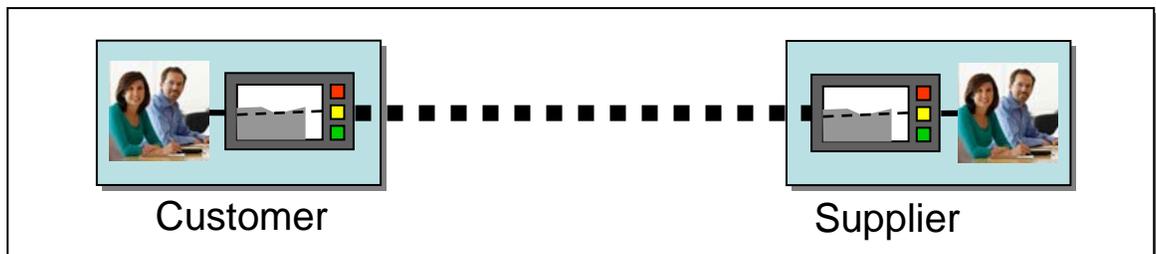
6.1.1. Supplier Extranet

A retailer can set up a supplier extranet, and allow manufacturer users to log in, review information and perform tasks on the retailer's site. The extranet model has the advantage of offering access to manufacturers of any size - they do not need any in-house IT or planning applications to participate. However, a manufacturer has to work with each retailer that has an extranet separately, and often must cope with widely varying capabilities, navigation paradigms and user expectations. Manufacturers that depend on retailers' extranets cannot easily aggregate data across all of their customers to understand demand patterns and anomalies. Special attention to security is called for to address access to the extranet, encryption of data in transit and restricted access within the extranet application such that supplier information is not accessible by competitors.



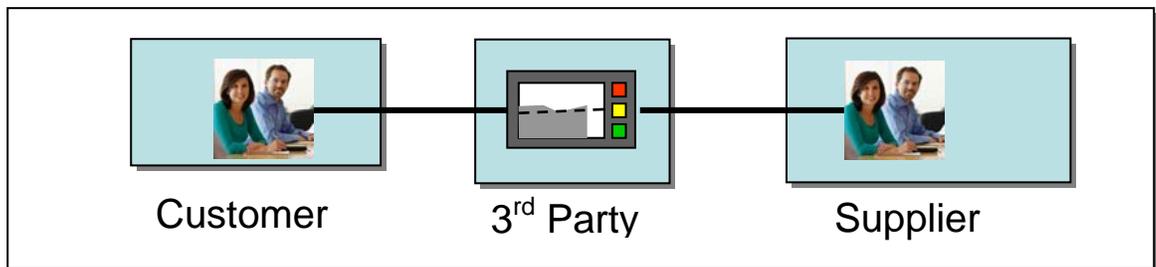
6.1.2. Message Interchange

Some companies exchange data through business-to-business transactions sets, using EDI, XML or flat file formats. The company-to-company model offers the advantage of standards based messages, and uses each company's own enterprise applications to analyze and act on the data. Companies can also combine this data across trading partners to get market-level insights. However, this approach also demands that a company invest in a B2B communications infrastructure, and have applications that can deal with large volumes of consumer demand data. The company-to-company approach also must overcome batch data synchronization delays, and subtle differences in each company's user views. With the public Internet as the transport mechanism for B2B messages, it is important that the data be transported in a manner that is both secure and provides confirmation of delivery. The AS2 specification is a widely adopted solution.



6.1.3. Hosted/On-Demand

The hosted/on-demand model collects data from multiple retailers and makes it available to multiple manufacturers through a public exchange or private service. The hosted model combines the benefits of ease of access of the extranet model with the data aggregation and single point of access of the company-to-company model. However, the hosted model raises issues of data ownership and payment, security and competitive positioning. Some retailers also do not allow their data to be hosted by a third party, limiting the potential for the hosted model to become universal.



6.1.4. Distributed

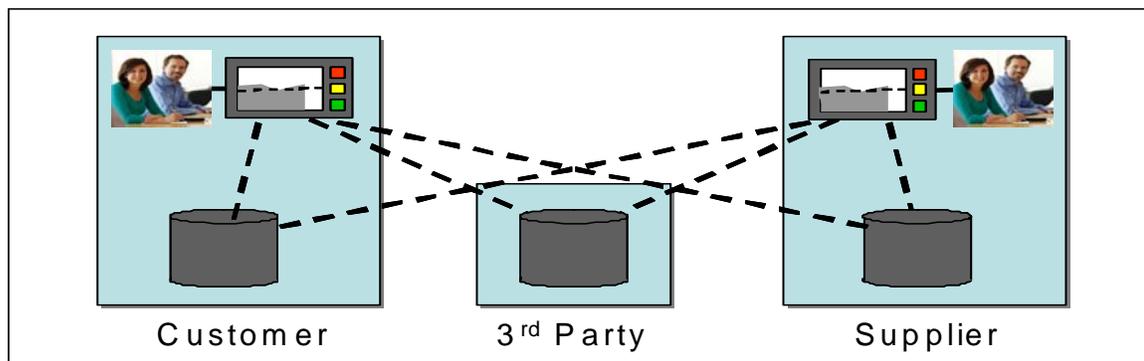
An emerging alternative is to leave the measure data at its source (whether manufacturer, retailer or distributor) rather than forwarding it to a partner or a shared service. Users access the data in place when they review their scorecard or other performance management application. Technology is

responsible for requesting the values from their distributed sources, and assembling any views that combine them.

The advantage of the distributed approach is that the data can remain wherever it was originally produced. If a combination of customer, supplier and third-party sources own this data, the services fetch the only the results requested, rather than transferring the large volumes of transaction data needed to calculate the measures. The distributed approach also always presents the user with the latest results, based on the original source for the data.

To be effective, distributed measures would most likely utilize Service Oriented Architecture (SOA) technology that can hide the complexity of sending off multiple requests to diverse data sources from the user consuming the information.

The potential disadvantages of the distributed approach are 1) the potential delay in assembling the results in near real time from disparate sources spread across a wide-area network, and 2) the likelihood that users will want to review the underlying data that caused specific results to be reported, necessitating ad hoc transfers of voluminous transaction data.



6.1.5. Hybrid

Realistically, most companies will have to accommodate multiple models. For example, a retailer may operate an extranet for smaller suppliers, while sending B2B transaction data to larger ones. Manufacturers may need to access extranets for retailers who do not offer message interchange as an option. In this complex environment, the use of standards is vital.

6.2. Measure and Data Transmission

When companies begin to exchange results data, they have two options:

- Calculate the results based upon the underlying data, and share those.
- Share the underlying data, and allow each party to calculate the results.

Each option has advantages and disadvantages. Sharing the underlying data gives trading partners the greatest flexibility in generating aggregate measures in any number of business contexts. They also provide the best basis for investigating the conditions that caused inadequate or exceptional performance. However, this data sharing approach places a demand on each participating organization to be able to store the data, run the calculations on a consistent basis, and maintain the master data that determines which items belong in which calculations on a synchronized basis with their trading partner. Use of the GS1 Global Data Synchronization Network (GDSN) is practically essential in this scenario, but even it only covers item master data. Location and time (calendar) master data must also be synchronized.

Sharing the measure results themselves assures that all trading partners are looking at the same values at any given time, and lowers the minimum IT requirements for participation in a performance

management initiative. However, sharing the results alone can make it difficult to interpret the values reported, or investigate how to address issues as they occur.

The best option is to share both the measure results and the underlying data used to calculate them. This approach allows trading partners to check whether their own local calculations still line up with those their customer or supplier has made – meaning their master data and methods are aligned.

7. Implementation Considerations

To be developed during Implementation Guide Phase.

8. Testing

Provides illustration for each of the 17 performance Measure

Note: Test Data is NOT in strict XML formats

8.1. Test Data 1

Performance Measure Type	Sales Growth (%)	Share (%)	Retail Item Gross Margin (%)	Retail Gross Profit Margin (%)	Invoice Accuracy (%)	Item Master Data Accuracy (%)	Item Data Synchronisation (%)
Example Description	Sales by unit volume of the 500gr size box of SmartBite Low-Fat Snack Crackers (GTIN 01067202197133) grew by 13% in the week ending 23 March 2009 at Value Mart store #32 (GLN 0988234988313) as compared with the same period last year.	The goal for LaundryCorp's share of Value Mart's Fabric Softener subclass for Fiscal Q3 of 2009 (ending in July) in its French stores is 43% in monetary sales terms.	Value Mart's gross margin for items in the carbonated soft drink category in January 2009 was 26.7%, compared to the goal of 25%.	Value Mart's Gross Profit Margin for GPC category Drinks (verify) was 31% in 2008.	The accuracy of LaundryCorp's invoices to Value Mart in July 2009 were 86%.	The accuracy of master data elements synchronized with ValueMart across all grocery department items and suppliers was 92% in December 2008.	The percentage of LaundryCorp's items that were synchronized to Value Mart in the week ending 14-Mar-2009 was 91%, vs. a goal of 99%.
Item Selection Scope Value	01067202197133	<Not Specified>	06-20	Drinks		04	<Not Specified>
Item Selection Scope Type	GTIN	TRADING_RELATIONSHIP	CLASS	GPC		DEPARTMENT	TRADING_RELATIONSHIP
Item Context Scope Value		07-33-77					
Item Context Scope Type		SUBCLASS					TRADING_RELATIONSHIP
Location Selection Scope Value	0988234988313 (Store #32's GLN)	FR	"Value Mart Stores"	"Value Mart Stores"	0988234980003 (Value Mart's GLN)	0988234980003 (Value Mart's GLN)	7003443100003 (LaundryCorp's GLN)

Performance Measure Type	Sales Growth (%)	Share (%)	Retail Item Gross Margin (%)	Retail Gross Profit Margin (%)	Invoice Accuracy (%)	Item Master Data Accuracy (%)	Item Data Synchronisation (%)
Location Selection Scope Type	GLN	COUNTRY	CHAIN	CHAIN	Supplier	GLN	Supplier
Location Scope Parameter Type	LOCATION_SELECTION	LOCATION_SELECTION	LOCATION_SELECTION	LOCATION_SELECTION	LOCATION_SELECTION	LOCATION_SELECTION	LOCATION_CONTEXT
Time Period Value Start	17-Mar-2009	01-May-09	1-Jan-2009	01-Jan-08	1-Jul-2009	01-Dec-08	08-Mar-09
Time Period Value End	23-Mar-2009	31-Jul-09	31-Jan-2009	31-Dec-08	31-Jul-2009	31-Dec-08	14-Mar-09
Time Period Scope Type	WEEK	FISCAL_QUARTER	CALENDAR_MONTH	CALENDAR_YEAR	CALENDAR_MONTH	CALENDAR_MONTH	WEEK
Periodicity Type							
Sales Measurement Type	VOLUME_BASIS	MONETARY_BASIS					
Sales Volume Unit of Measure Value	EA						
Sales Monetary Basis Currency Code		EUR					
Inventory Measurement Basis Type							
Demand Estimation Type							
Synchronisation Calculation Type							TOTAL_ITEMS
Delivery Time Measurement Basis Type							

Performance Measure Type	Sales Growth (%)	Share (%)	Retail Item Gross Margin (%)	Retail Gross Profit Margin (%)	Invoice Accuracy (%)	Item Master Data Accuracy (%)	Item Data Synchronisation (%)
<i>Appointment Time Measurement Basis Type</i>							
<i>OOS Measurement Method Type</i>							
<i>Forecast Type Code</i>							
<i>Forecast Purpose Code</i>							
<i>Forecast Lag</i>							
<i>Service Level Measurement Basis Type</i>							
<i>Service Level Basis Type</i>							
Performance Goal	<Not Specified>	43 %	25 %	<Not Specified>	<Not Specified>	<Not Specified>	99 %
Performance Result	13 %	<Not Specified>	26.7 %	31 %	86 %	92 %	91 %

8.2. Test Data 2

Performance Measure Type	Order Item/QuantityChange (%)	Service Level / Fill Rate (%)	Order to Delivery Cycle Time (Hours)	On-time Delivery (%)	Finished Goods Inventory Cover (Days)
Example Description	The percentage of Value Mart orders that LaundryCorp had to be change before shipment month-to-date was 20%, vs a goal of 10%.	The supplier's service level to the retail DC identified by GLN 0377076379213 was 98.3% in the week ending 07 March, compared to the goal of 97%.	The average order-to-delivery cycle time for direct-to-store shipments from LaundryCorp's Detergent Plant to Value Mart was 96 hours in February 2009.	The goal for on-time delivery performance of LaundryCorp's shipments to Value Mart's Northeastern DC is 95% for Fiscal Year 2009, based upon the first appointment time and a 2 hour delivery window.	For the week ending 14-Mar-2009, Value Mart had 12 days of forecasted inventory cover of the 500gr size box of SmartBite Low-Fat Snack Crackers (GTIN 00379982745325) at its Northeastern DC.
Item Selection Scope Value		<Not Specified>	<Not Specified>		00379982745325
Item Selection Scope Type		TRADING_RELATIONSHIP	TRADING_RELATIONSHIP		GTIN
Item Context Scope Value					
Item Context Scope Type					
Location Selection Scope Value	1. "Value Mart Stores" 2. "Laundry Corp"	1. 0377076379213 2. 0377076379223 (Vendor Location GLN) 3. 0377076379223 (Customer Destination GLN) 4. 0377076379233 (Shipping Location GLN)	1. <not Specified> 2. 7003443100323 (LaundryCorp Detergent Plant's GLN)	1. 0988234982093 (Value Mart Northeastern DC's GLN) 2. 7003443100003 (LaundryCorp's GLN)	0988234982093 (Value Mart Northeastern DC's GLN)
Location Selection Scope Type	1. CHAIN 2. SUPPLIER	1. GLN 2. GLN 3. GLN 4. GLN	1. STORE 2. GLN	1. GLN 2. GLN	GLN
Location Scope Parameter Type	1. LOCATION_SELECTION 2. LOCATION_CONTEXT	1. LOCATION_SELECTION 2. VENDOR_LOCATION 3. CUSTOMER_DESTINATION_LOCATION 4. SHIPPING_LOCATION	1. LOCATION_SELECTION 2. LOCATION_CONTEXT	1. LOCATION_SELECTION 2. LOCATION_CONTEXT	LOCATION_SELECTION
Time Period Value Start	01-Apr-09	01-Mar-09	01-Feb-09	01-Aug-08	08-Mar-09

Performance Measure Type	Order Item/ QuantityChange (%)	Service Level / Fill Rate (%)	Order to Delivery Cycle Time (Hours)	On-time Delivery (%)	Finished Goods Inventory Cover (Days)
Time Period Value End	06-Apr-09	07-Mar-09	28-Feb-09	31-Jul-09	14-Mar-09
Time Period Scope Type	MONTH_TO_DATE	WEEK	CALENDAR_MONTH	FISCAL_YEAR	WEEK
Periodicity Type			HOUR		
Sales Measurement Type					
Sales Volume Unit of Measure Value					
Sales Monetary Basis Currency Code					
Inventory Measurement Basis Type					ON_HAND_ONLY
Demand Estimation Type					FORECAST_BASIS
Synchronisation Calculation Type					
Delivery Time Measurement BasisType				FIRST_APPOINTMENT_DATE_TIME	
Appointment Time Measurement Basis Type				APPOINTMENT_WINDOW	
OOS Measurement Method Type					
Forecast Type Code					

Performance Measure Type	Order Item/QuantityChange (%)	Service Level / Fill Rate (%)	Order to Delivery Cycle Time (Hours)	On-time Delivery (%)	Finished Goods Inventory Cover (Days)
<i>Forecast Purpose Code</i>					
<i>Forecast Lag</i>					
<i>Service Level Measurement Basis Type</i>		RECEIVED_QUANTITY			
<i>Service Level Basis Type</i>		VOLUME			
<i>Performance Goal</i>	10 %	97 %	<Not Specified>	95 %	<Not Specified>
<i>Performance Result</i>	20 %	98.3 %	96 Hours	<Not Specified>	12 Days

8.3. Test Data 3

Performance Measure Type	Forecast Accuracy (%)	Out-of-stock (%)	Unsaleables (%)	On Time Payment (%)	Markdown (%)
<i>Example Description</i>	The four-week lagged unit POS forecast accuracy for the 500gr size box of SmartBite Low-Fat Snack Crackers (GTIN 00379982745325) across all stores was 78% in the week ending 14-Mar-2009.	The estimated average out-of-stock rate for grocery items at Value Mart Store #32 in Fiscal Month 12 (based on sales data analysis) was 8%.	The percentage of unsaleable items that Value Mart has received year-to-date from LaundryCorp is 0.9%, vs a goal of 1.0%.	The percentage of LaundryCorp invoices that Value Mart paid on time in the first calendar quarter of 2009 was 100%.	The Markdown percentage of LaundryCorp's items at Value Mart in the week ending 14-Mar-2009 was 2%.
<i>Item Selection Scope Value</i>	00379982745325	04	<Not Specified>		<Not Specified>
<i>Item Selection Scope Type</i>	GTIN	DEPARTMENT	TRADING_RELATIONSHIP		TRADING_RELATIONSHIP
<i>Item Context Scope Value</i>					



Performance Measure Type	Forecast Accuracy (%)	Out-of-stock (%)	Unsaleables (%)	On Time Payment (%)	Markdown (%)
Item Context Scope Type					
Location Selection Scope Value	0988234980003 (Value Mart's GLN)	0988234988313 (Store #32's GLN)	0988234980003 (Value Mart's GLN)	1. 0988234980003 (Value Mart's GLN) 2.700344310000 (LaundryCorp's GLN)	<Not Specified>
Location Selection Scope Type	GLN	GLN	GLN	1. GLN 2. GLN	Supplier
Location Scope Parameter Type	LOCATION_SELECTION	LOCATION_SELECTION	LOCATION_SELECTION	1. LOCATION_SELECTION 2. LOCATION_CONTEXT	LOCATION_SELECTION
Time Period Value Start	08-Mar-09	27-Jun-09	01-Jan-09	01-Jan-09	08-Mar-09
Time Period Value End	14-Mar-09	31-Jul-09	06-Apr-09	31-Mar-09	14-Mar-09
Time Period Scope Type	WEEK	FISCAL_MONTH	YEAR_TO_DATE	CALENDAR_QUARTER	WEEK
Periodicity Type					
Sales Measurement Type	VOLUME_BASIS				
Sales Volume Unit of Measure Value	EA				
Sales Monetary Basis Currency Code					
Inventory Measurement Basis Type					
Demand Estimation Type					

Performance Measure Type	Forecast Accuracy (%)	Out-of-stock (%)	Unsaleables (%)	On Time Payment (%)	Markdown (%)
<i>Synchronisation Calculation Type</i>					
<i>Delivery Time Measurement Basis Type</i>					
<i>Appointment Time Measurement Basis Type</i>					
<i>OOS Measurement Method Type</i>		SALES_DATA_ANALYSIS			
<i>Forecast Type Code</i>	TOTAL				
<i>Forecast Purpose Code</i>	SALES_FORECAST				
<i>Forecast Lag</i>	4				
<i>Service Level Measurement Basis Type</i>					
<i>Service Level Basis Type</i>					
<i>Performance Goal</i>	<Not Specified>	<Not Specified>	1 %	<Not Specified>	<Not Specified>
<i>Performance Result</i>	78 %	8 %	0.9 %	100 %	2 %

9. Appendices

9.1. Architectural Principles

#	Architectural Principles	Does Business Message Specification (BMS) Adhere?	Comment
1.	The requirements in the BMS maintain the GS1 keys as the primary, mandatory identifiers.	<input checked="" type="checkbox"/>	<p>Wherever a GS1 key is available, the Performance Measurement message provides it as the primary, mandatory identifier. However, there are two cases in which a GS1 key may not exist for this message:</p> <p>1) for location identification, when the company has not allocated a GLN to that specific context, and</p> <p>2) For aggregate product identification (e.g. department, brand, item cluster) where there is currently no GS1 process for assigning global keys.</p> <p>The solution for location identification is to make GLN mandatory, but to offer an additional location identifier.</p> <p>The solution for aggregate product identification is to allow buyer assigned / seller assigned identifiers to be used.</p>
2.	The requirements in the BMS do not alter the formats of primary identifiers and comply with data elements as defined in the Global Data Dictionary.	<input checked="" type="checkbox"/>	
3.	The requirements stated in the BMS are backwards compatible according to the stated scope in the document. The document scope explicitly states whether requirements included in document are backwards compatible.	<input checked="" type="checkbox"/>	The Performance Measurement message is new, so this principle does not apply.
4.	All business requirements contained in the BMS come from trading partners or representatives with a genuine intention to implement the standards when developed. All requirements are driven by the business needs of the trading partners.	<input checked="" type="checkbox"/>	The requirements for the Performance Measurement message have been captured in the TPPM Business Requirements Analysis Document, which was approved by major GS1 member retailers and manufacturers.

#	Architectural Principles	Does Business Message Specification (BMS) Adhere?	Comment
5.	The business requirements contained in the BMS do not violate consistency of the data architecture within each layer and between each layer of the GS1 System. For example, requirements do not alter a key used across GS1 standards or alter a reusable object without applying this change across related standards.	<input checked="" type="checkbox"/>	
6.	The business requirements take into consideration the potential impact of the standard, especially with respect to implementation and maintenance. Any potential known impact is documented in the BMS.	<input checked="" type="checkbox"/>	The TPPM work group anticipates that several additional performance measures will be required over time to accommodate business needs across multiple industries. The solution design for the Performance Measurement message enables extension with minimum disruption to the classes, attributes and associations in the message structure.
7.	The business requirements take into consideration the potential scalability of the standard. Any potential known impact to scalability is documented in the BMS.	<input checked="" type="checkbox"/>	While it is anticipated that the number of performance measurement values exchanged between trading partners will be small relative to some operational data types (e.g. sales history, forecasts), the Performance Measurement message design accommodates multiple performance values in a single transmission.
8.	The business requirements take into consideration data and process interoperability. For example, any shared objects between interoperable messages must remain consistent. Any potential known impact to interoperability is documented in the BMS.	<input checked="" type="checkbox"/>	The Performance Measurement protocol is very simple: a one-way report of information. There are no message sequences or state changes required that would cause interoperability problems.
9.	The business requirements in the BMS do not threaten the standardisation of the interfaces of the GS1 System. Interfaces are not limited to references to technology but also include such ideas as business interfaces and process interfaces.	<input checked="" type="checkbox"/>	The Performance Measurement message does not define any new interfaces. It is contained within the framework of the GS1 eCom Document type.

#	Architectural Principles	Does Business Message Specification (BMS) Adhere?	Comment
10.	The business requirements in the BMS do not create duplications with existing GS1 components. If there are potential duplications, these are documented within the BMS with a stated rationale for the duplication.	<input checked="" type="checkbox"/>	The Party Synchronization work group is currently defining a mechanism for specifying aggregate location identifiers and their components. The aggregate location types supported through the Performance Measurement message should be harmonized with the hierarchy of locations that Party Synchronization will provide.
11.	The business requirements in the BMS do not impose implicit or explicit restrictions of any technology.	<input checked="" type="checkbox"/>	The Performance Measurement message does not impose any implicit or explicit technology restrictions. It is contained within the framework of the GS1 eCom Document type.
12.	The business requirements in the BMS take into account a global perspective. All local (Industry or Geopolitical) requirements have a suitable rationale to explain why they cannot be handled globally. For example, a Boolean indicator of a specific regulation as opposed to a generic code list covering multiple regulations.	<input checked="" type="checkbox"/>	Like most GS1 specifications, TPPM focuses on the requirements of the fast-moving consumer goods industry. However there is nothing in the specification to preclude use by other industries. The Performance Measurement specification generalizes references to monetary value, and allows users to identify the local currency basis for their calculations. There are no other globalization issues.

9.2. Measure Details

 Note: Measure Details are sourced from the approved BRAD Trading Partner Performance Management Issue 1.0.0

9.2.1. Sales Growth (%)

9.2.1.1. Aliases

- Annual Growth Rate
- Monetary Sales Growth
- Unit Sales Growth

9.2.1.2. Definition

The percentage increase in monetary or unit sales compared to an equivalent time period one year prior to the period being measured

9.2.1.3. Rationale

The purpose is to record the growth rate and allow correlations to be made between growth and other metrics.

9.2.1.4. Formula

$$SalesGrowth\% = \left(\frac{Sales_y - Sales_{y-1}}{Sales_{y-1}} \right) * 100$$

- y = period in year being measured
- y - 1 = equivalent prior-year period

 **Note:** Comparison Period: A given year's, quarter's, month's or week's sales can be compared to the equivalent prior year period. The options of quarter-over-quarter and month-over-month growth were excluded. Note due to calendar variations, the prior year period may have a different number of days or weeks.

9.2.1.5. Conditions

Sales is the total business in the scope of the geography being measured, not a "same store sales" growth measure.

9.2.1.6. Examples

Example 1

- Sales in most recent 12 months = 12.0 Million
- Sales in previous 12 months = 11.2 Million
- Sales Growth = $((12.0 - 11.2) / 11.2) * 100 = 7.14\%$

Example 2

- Sales in most recent 12 months = 100
- Sales in previous 12 months = 95
- Sales Growth = $((100 - 95) / 95) * 100 = 5.26\%$

9.2.1.7. Reference Source

- Annual Growth Rate GCI BM01

9.2.1.8. Typical Data Source

- Retailer

9.2.2. Share (%)

9.2.2.1. Aliases

- Category share
- Market share
- Share of market
- Share of wallet (depending on the context)

9.2.2.2. Definition

The percentage of sales of a subset of items and / or locations in a broader market context, which can be defined in terms of a product category, class of trade or geography.

9.2.2.3. Rationale

Share calculations help trading partners understand the strength of their business activity relative to sales overall.

9.2.2.4. Formula

$$\text{Share}\% = \frac{\text{SalesActivity}(\text{itemScope}, \text{locationScope})}{\text{SalesActivity}(\text{itemContext}, \text{locationContext})} * 100$$

Sales may be measured in monetary or volume (unit) terms. Typical cases (with their common names) include:

1. "Supplier's market share": A manufacturer's brand sales as a percentage of a global product category (across all classes of trade) in a specified geographic area.
2. "Retailer's category share of market": A retailer's sales of a category of products (across all brands) relative to the total sales of that category of products in the region the retailer serves
3. "Supplier's share of retailer category": A manufacturer's brand sales as a percentage of a given retailer's or distributor's category sales.

Calculations of share often depend upon third-party data to ascertain the total sales volume across multiple trading partners. However, in a trading partner performance management context, most share calculations are usually relative to the customer's sales activity (whether a retailer or distributor), and they can be calculated directly based upon the customer's data.

9.2.2.5. Examples

Example 1

- Retailer A sales in Category X are €100,000 in Week 43
- Manufacturer B sales at Retailer A in Category X are €20,000 in the same week
- So Manufacturer B has a 20% share of Category X sales at Retailer A for Week 43
- Share Calculation: $(20000/100000) * 100 = 20\%$

Example 2

- Distributor A sells 50,000 units of Manufacturer B products in New York State in September
- Market data estimates total sales of Manufacturer B products in New York State in September was 200,000 units
- So Distributor A has a 25% share of Manufacturer B product sales in New York State
- Share Calculation: $(50000/200000) * 100 = 25\%$

9.2.2.6. Reference Source

- Marketing Channel Management: People, Products, Programs, and Markets, Russell W. McCalley. Greenwood Publishing Group, 1996.

9.2.2.7. Typical Data Source

- The customer is the typical source for sales data within their chain; either the customer or the supplier could gather broader market sales data (typically via third-party providers).

9.2.3. Retail Item Gross Margin (%)

9.2.3.1. Aliases

- Margin
- Gross Margin
- Retail Margin

9.2.3.2. Definition

The average percentage amount a Retailer will earn for an item sold to a consumer before deducting operating expenses.

9.2.3.3. Rationale

Both Customer and Supplier need to understand the amount earned and/or the value of items sold to the consumer based on the retail price paid for these items in the market. Margins can vary based on market demographics and pricing strategy used by a Retailer.

9.2.3.4. Formula

$$\text{RetailItemGrossMargin}\% = \left(\frac{\text{AverageItemRetailPrice} - \text{AverageItemCost}}{\text{AverageItemRetailPrice}} \right) * 100$$

- Average Item Retail Price = Average Retail Price paid by the consumer in the retail market for a given item
- Average Item Cost = Average Item Net Invoice Cost

9.2.3.5. Conditions

- Average Item Cost does not include Retailer operating expenses.
- Item Cost only includes allowances or other adjustments directly allocated to the item as listed on the invoice item line and does not include total invoice allowances, adjustments or other rebates provided after an invoice has been finalized.

Item Cost Calculation Included

- Line Item Cost
- Item Net Invoice Cost

Item Cost Calculation Excluded

- Total Invoice Allowances
- After Invoice Rebates
- Retailer Operating Expenses
- Other Total Invoice Adjustments

9.2.3.6. Examples

- Supplier Cost of Item A to Retailer = 10.50
- Retail Price of Item A in Store = 17.00
- Retail Item Gross Margin %: $[(17.00 - 10.50)/17.00] * 100 = 38.24\%$

9.2.3.7. Reference Source

- About.com – Retailing
- http://retail.about.com/od/glossary/g/gross_margin.htm

9.2.3.8. Typical Data Source

- Retailer

9.2.4. Retail Gross Profit Margin (%)

9.2.4.1. Aliases

- Gross Profit Margin %
- Retail Profit Margin %
- Profit Margin %

9.2.4.2. Definition

The average percentage amount a Retailer will profit per item or group of items sold to a consumer after deducting operating expenses.

9.2.4.3. Rationale

A Retailer will manage an item or group of items according to the overall profit and profit margin of that item or group of items sold to the consumer based on the retail price paid for these items in the market. Profit Margins can vary based on market demographics and pricing strategy used by a Retailer and the operating costs associated with selling that item.

9.2.4.4. Formula

$$\text{RetailGrossProfitMargin}\% = \left(\frac{\text{AverageItemRetailPrice} - \text{AverageNetItemCost}}{\text{AverageItemRetailPrice}} \right) * 100$$

- Average Item Retail Price = Average Retail Price paid by the consumer in the retail market for a given item
- Average Net Item Cost = Average Item NET Cost after operating expenses

9.2.4.5. Condition

Average Net Item Cost is inclusive of all Retailer operating expenses

Item NET Cost Calculation Included:

- Line Item Cost
- Item Net Invoice Cost
- Invoice level Allowances allocated to an item or across a group of items
- After Invoice Rebates
- Retailer Operating Expenses
- Shopper Loyalty Discounts
- Item Coupons

9.2.4.6. Examples

- Retail Price of Item A in Store = 17.00
- Supplier Cost of Item A to Retailer = 10.50
- Item Rebate based on sales performance = 0.20 per 100 items sold* (Rebate)
- Retailer Loyalty Promotion discount per item sold = 0.25 (Operating Expense)
- Item Operating / Supply Chain Expenses = 0.08 per item (Operating Expense)
- *Retailer sold 120 items and has earned the Rebate offered

Calculation 1 Full Formula

- Retail Gross Profit Margin %: $[(\text{Retail Price} - \text{Cost} - \text{Rebates}) + (\text{Operating Expenses})] / \text{Retail Price}$
- Retail Gross Profit Margin % $[[17.00 - [(10.50 - 0.20) + (0.25 + 0.08)]] / 17.00] * 100 = 37.47\%$

Calculation 2 Component Formula

- Profit = Retail Price – Total Cost + Total Operating Expense
- Retail Gross Profit Margin % = Total Profit / Retail Price
- Item Cost after Rebates $10.50 - 0.20 = 10.30$
- Operating Expenses $0.25 + 0.08 = 0.33$ per item
- Total Profit $17.00 - 10.30 + 0.33 = 6.37$
- Retail Gross Profit Margin % = $6.37 / 17.00 = 37.47\%$

9.2.4.7. Reference Source

- About.com – Profit Margin
- http://retail.about.com/od/glossary/g/profit_margin.htm

9.2.4.8. Typical Data Source

- Retailer

9.2.4.9. Retail Item Gross Margin and Retail Gross Profit Margin Comparison Example

Item	Amount	Margin % Calculations
Retail Price	17.00	

Item	Amount	Margin % Calculations
Base Price	13.00	
- Discount	-1.00	
- Promo Discount	-1.00	
- Allowance	- 0.50	Retail Item Gross Margin %
Invoice Cost	10.50	$[(17.00 - 10.50) / 17.00] * 100 = 38.24\%$
- Rebate	- 0.20	
Total Cost	10.30	
+ Shopper Discount Operating Expense	+ 0.25	
+ Retailer Operating Expense per item	+ 0.08	Retail Gross Profit Margin %
Net Cost	10.63	$[(17.00 - 10.63) / 17.00] * 100 = 37.47\%$
Net Profit	6.37	$(17.00 - 10.63)$

9.2.5. Invoice Accuracy (%)

9.2.5.1. Aliases

- None

9.2.5.2. Definition

The percentage of seller invoices deemed accurate out of all invoices received.

9.2.5.3. Rationale

Invoice Accuracy provides the trading partner an ability to measure the efficiency of the invoices. It monitors the accuracy of the billing / payment process to properly invoice customers the first time.

9.2.5.4. Formula

$$InvoiceAccuracy\% = \left(\frac{InvoicesDeemedAccurate}{TotalInvoices} \right) * 100$$

9.2.5.5. Conditions

The seller's invoice must completely match the products received in terms of price, allowances, charges, quantity and unit of measure, terms of sale (payment / legal documents) and GTINs or mutually agreed and documented tolerances.

The buyer (purchasing company) determines if the invoice is accurate.

An invoice is defined as accurate when the supplier's invoice completely matches the products received in the following:

- Price
- Allowances
- Charges

- Quantity and unit of measure
- Terms of sale (Payment / Legal Documents)
- GTIN
- Or mutually agreed and documented tolerances

 **Note:** This is not a measure of electronic well formed / compliant invoicing. Tolerances are not part of this measure as tolerances are variable and determined by each trading partner.

9.2.5.6. Examples

- Company A determines 99 invoices are deemed accurate
- 100 Total invoices
- Invoice accuracy is 99% $= (99/100) * 100$

9.2.5.7. Reference Source

- Invoice Accuracy GCI BM13

9.2.5.8. Typical Data Source

- Retailer

9.2.6. Item Master Data Accuracy (%)

9.2.6.1. Aliases

- None

9.2.6.2. Definition

The percentage of items with accurate physically measured dimensions and weight attributes (as provided by the seller) out of all items that were physically verified.

9.2.6.3. Rationale

Data Accuracy is critical to business applications for the foundational product information shared between trading partners. This product information is used to drive the business processes of both partners in the relationship from new item introduction, administrative set up and logistics information throughout the supply chain.

9.2.6.4. Formula

There is currently one way to calculate Item Master Data Accuracy. For the purposes of TPPM, the formula is the number of items where all attributes pass the industry tolerance divided by the total number of items physically verified.

$$ItemMaster\ Data\ Accuracy = \left(\frac{Number\ of\ Items\ Passing\ Physical\ Verification}{Total\ Number\ of\ Items\ Physically\ Verified} \right) * 100$$

9.2.6.5. Condition

Standards and best practices should be adhered to ensure consistency of how validations and tolerances for different packaging types are applied to products being evaluated. Please note that new tolerances for different packaging types continue to be developed; as these tolerances are standardized they will need to be applied to keep the metric consistent between the trading partners. A link is provided to these documents ensuring that the most current will be available.

- http://www.gs1.org/docs/gsm/gdsn/GDSN_Package_Measurement_Rules.pdf
- http://www.gs1.org/docs/gsm/gdsn/GDSN_Standard_Package_Measurement_Tolerances_Best_Practice_i1.pdf
- http://www.gs1.org/docs/gsm/gdsn/GDSN/Data_Quality_of_Framework.pdf

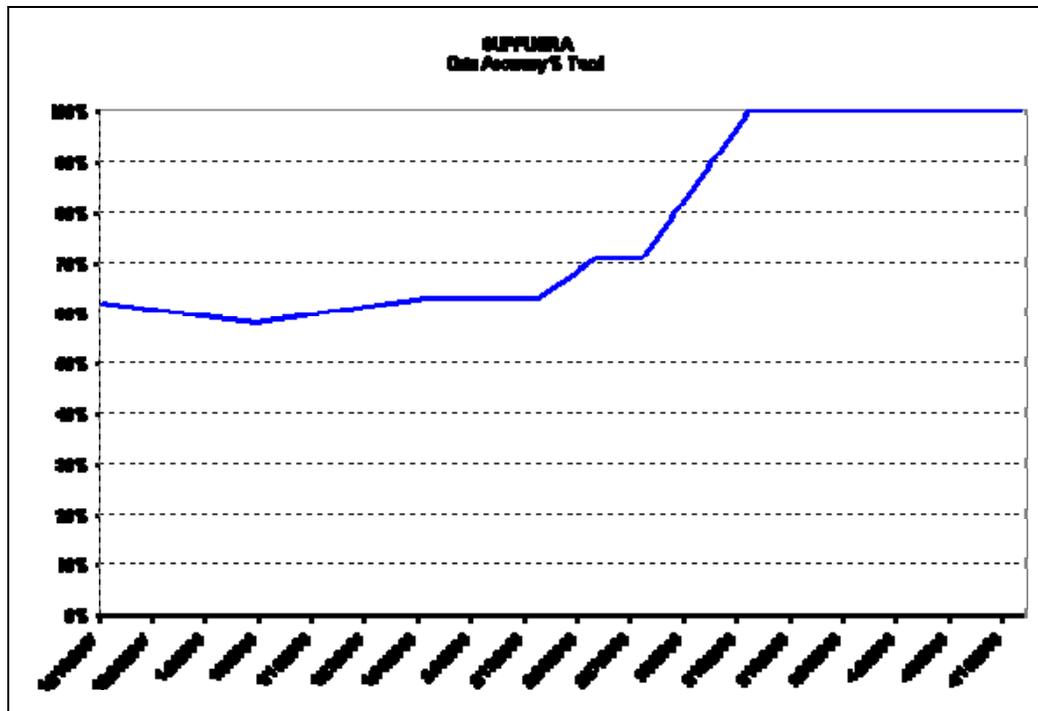
The **GTIN Allocation Rules** which is located on the GS1 website at: www.gs1.org/gtinrules/

The **GS1 General Specifications** is the core standards document of the GS1 System describing how GS1 BarCodes and identification keys should be used. It is available through your local GS1 Member Organisation (MO).

9.2.6.6. Examples

	Items Passing Physical Verification	Total Number of Items Physically Verified
Count	172	179
Percent	96.09%	

Figure 9-1 Before and After Item Master Data Accuracy Implementation



*Table of Attributes to be compared

	Height	Width	Depth	Weight	Total Retail Units
Case	X	X	X	X	X
Inner Pack	X	X	X		
Each	X	X	X		

Note These validations can extend to additional levels of an item such as a shipper, mixed modular pallet and pallet.

9.2.6.7. Reference Source

- Item Data Synchronisation GCI IM10 & 11

9.2.6.8. Typical Data Source

- Retailer

9.2.7. Item Data Synchronisation (%)

9.2.7.1. Aliases

- None

9.2.7.2. Definition

The percentage of items (including applicable trade item hierarchy) published and sold from the seller that are synchronised by the buyer via the Global Data Synchronisation Network (GDSN).

9.2.7.3. Rationale

Item Synchronisation is the foundation for trading partner relationships, providing the product information for items that are traded between partners. This product formation is used to drive the business processes of both partners in the relationship from new item introduction, administrative set up and logistics information throughout the supply chain.

9.2.7.4. Formula

$$ItemDataSynchronisation = \left(\frac{NumberofItemsSynchronised}{TotalNumberofCatalogItemsExpected} \right) * 100$$

9.2.7.5. Examples

Supplier Name	Total Number of Catalogue the Trading Partner is Expecting	Number of Item Synchronised	Item Data Synchronisation
Supplier A	2	1	50%

Supplier Name	Total Number of Catalogue the Trading Partner is Expecting	Number of Item Synchronised	Item Data Synchronisation
Supplier B	600	550	91.7%
Supplier C	20	19	95%

9.2.7.6. Condition

It is assumed that the supplier and receiver of information is adhering to the GS1 System Standards for GDS as documented in the GDSN Standards documents which can be found on the link below or through the guidance of your certified Data Pool.

<http://www.gs1.org/services/gsm/kc/gdsn/index.html>

The **GTIN Allocation Rules** which is located on the GS1 website at: www.gs1.org/gtinrules/

The **GS1 General Specifications** is the core standards document of the GS1 System describing how GS1 BarCodes and identification keys should be used. It is available through your local GS1 Member Organisation (MO).

9.2.7.7. Reference Source

- Item Data Synchronisation % GCI IM10 & 11

9.2.7.8. Typical Data Source

- Retailer

9.2.8. Order Item / Quantity Change (%)

9.2.8.1. Aliases

- Touched Orders
- Perfect Order

9.2.8.2. Definition

The percentage of orders placed by the customer in the trading relationship that required changes in items or item quantities prior to release.

9.2.8.3. Rationale

Order Item / Quantity changes are a common source of disruptions in supply chain performance. In some trading relationships, 40% or more of the orders are revised one or more times before shipment. Reasons for order changes that are within the scope of this measure include:

- Invalid item ordered (item number incorrect, discontinued item, item not yet introduced or synchronized via the Global Data Synchronization Network (GDSN). Additional items added, removed or quantities changed.
- Delivery date changes are not included in the scope of this measure. The TPPM proposes that a future measure address this issue.

9.2.8.4. Formula

ItemChange | *QuantityChange* \Rightarrow *RevisedOrder*

$$\text{OrderItem / QuantityChange\%} = \left(\frac{\sum \text{RevisedOrders}}{\sum \text{Orders}} \right) * 100$$

Only orders that have been shipped within the time period specified for the measure are considered to be within the scope of the calculation.

9.2.8.5. Examples

A distributor places three orders with a manufacturer in October, each for 1000 litres of cola syrup. Subsequently, the distributor reduces the quantity of the second order to 500 litres. As a result, the order item / quantity change percentage for October is $1/3 * 100 = 33\%$.

Order Number	Ordered Units	Order Change	Absolute Deviation	Result
1	1000	0	0	
2	1000	500	500	
3	1000	0	0	
				1/3 = 33% Order Item / Quantity Change

9.2.8.6. Reference Source

- New Ways of Working Together Initiative

9.2.8.7. Typical Data Source

- The supplier typically provides the results of this measure. It is usually evaluated at a trading relationship level, though it may be broken down to the level of a supplier's ship point or a customer's purchasing organization for root cause analysis.

9.2.9. Service Level / Fill Rate (%)

9.2.9.1. Aliases

- Supplier Service Level
- Order to Delivery Service Level
- Order Fill Rate
- Case Fill Rate
- Item Fill Rate
- First time fill rate (%)

9.2.9.2. Definition

The percentage of product that a buyer received or the seller shipped compared to the original ordered quantity

9.2.9.3. Rationale

Be more externally focused using a measure that includes Buyer expectation vs. purely manufactured delivered capability. Improve Buyer's Fill Rate level by comparing Received Units at the Buyer vs. Ordered Units by the Buyer. Buyer level reporting should match an individual buyer's ordering unit.

Use this measure as a complement of Out of Stock and On Time measures (recognizing that Service Level/Fill Rate partly overlaps with On Time measures of availability driven delays). As part of the Trading Partner Performance scorecard, analysis of root cause data should drive the implementation of action plans, with the goal to systemically fix supply chain issues.

Principle

Measure is kept simple (as definition) reliable and actionable and is simple to report, largely relying on readily available information.

The "ordered units" should be taken from the "Original Buyer Order". There are some events where the original orders are changed legitimately (e.g. wrong product ordered, order sent to wrong manufacturer) which could be given a reason code that updates the original order without impacting the fill rate %.

 **Note:** If order changes come in between the Original Order and product receipt, this will be reflected in the Order Item / Quantity Change % measure.

Double counting of repeat orders will not be adjusted as it reflects true service level the customer is experiencing when repeated orders are constantly unfulfilled.

In the event a SKU is put on allocation, during periods of tight availability, demand quantities as determined by the demand planning organizations (minimum volume based on last unconstrained forecast) should be included in the measure to accurately reflect the service level to our customers. (Some of this demand may be automatically captured through customer orders while the remainder is manually loaded. This process is referred to as Suppressed Demand.)

Cuts/delays on Continuous Replenishment Program (CRP) or Vendor Managed Inventory (VMI) generated orders should be reported in Service Level / Fill Rate, even including orders on products which are used to fill up the truck.

9.2.9.4. Formula

For Order to Receipt:
$$\text{Fill Rate}(\%) = \frac{\text{Received Units}}{\text{Ordered Units}} \times 100$$

For Order to Ship:
$$\text{Fill Rate}(\%) = \frac{\text{Shipped Units}}{\text{Ordered Units}} \times 100$$

Ordered Units: Units ordered by the buyer in the original order.

$$\text{Ordered Units} = \text{System Captured Units}^{(1)} + \text{Dropped Units}^{(2)}$$

Received Units: Units received by the buyer. These are the invoiced units minus refused units.

$$\text{Shipped / Received Units} = \text{Invoiced Units}^{(3)} - \text{Refused Units}^{(5)}$$

(1) System Captured Units: Units input in the Order/Shipping/Billing (OSB) System using any order acquisition tool. Some order acquisition tools may drop some units due to product data base misalignment; this amount will be reflected as “Dropped Units”.

(2) Dropped Units: Units dropped by misalignment of Product Data Base between Buyer and Seller. Some of these misalignments are: Initiatives data, depletion time alignments and prices differences. E.g. orders on closed codes which are not processed in OSB.

(3) Invoiced Units: Units billed and shipped to Buyer.

$$\text{Invoiced Units}^{(3)} = \text{System Captured Units}^{(1)} - \text{Canceled Units}^{(4)}$$

(4) Cancelled Units: Units cut (or cancelled) or delayed due to availability issues during Delivery Schedule system (DSS/ATL) process, Loading process, Buyer caused or Allotments.

(5) Refused (rejected) Units: Units rejected by buyer due to Seller or Buyer reasons. Main mistakes are codes changes, quality issues or not ordered product.

9.2.9.5. Conditions

Table 9-1 Counted against Service Level/ Fill Rate Goals

Description	When to Use
Beyond Selling Period	Product cut on items seasonal in nature with a buy period, or in-out products
CPU Space/Weight	Cut is driven by CPU truck size
Discontinued / Too Early Product	Quantity change due to a discontinued item, or new item prior to start ship
Major Service Issue	Product cut due to a major long-term supply chain issue communicated to buyers
Material Change	Materials / Orders being rejected
National Sales Allocation	Product cut due to a national allocation
Order Increment Adjustment	Quantity change because it doesn't fit in case/layer/pallet increments.
Order Size Change	If supplier changes the quantity to the size of the order
Over ship – regular order	Over ship on 1 line item does not count toward fill rate/service level %
Space/Weight Delivered	Cut due to space or weight of a delivered truck
Stock Out/Unavailable	Cuts product as product is not available
VMI Change	Change in VMI order after order has been placed.
VMI Original Order Qty	Units ordered by our Customer in the original order may not fulfill demand.
VMI return/refusal	Over ship on 1 line item and it for any reason it's returned or refused.

Table 9-2 Not Counted against Service Level/ Fill Rate Goals

Description	When To Use
Material Change	Materials / Orders being added not previously on an order
Over ship - VMI/CRP only	Over ship on 1 line item does not count toward fill rate/service level (unless it creates a cut in a different SKU.)
Quantity Change	Quantity change (increase or decrease) to item already on the order via buyer request

9.2.9.6. Examples

Example 1 Simple Scenario

- RET Company orders 10 products that total 1000 cases, on its Purchase Order #PO1.
- MAN Company ships out 800 cases on 3/3/2007 and the remaining 200 cases on 3/10/2007.
- MAN Company sends an invoice for 800 cases, on its invoice #INV1 and the remaining 200 cases on its Invoice#INV2.
- RET Company accepts 800 cases on 3/4/2007.
- The Fill Rate for this PO1 is 80%.

Calculation:

- **Fill Rate %** = Received Cases/ Ordered Cases. (800/1000 = 80%)
- **Ordered Cases** = System Captured Cases + Dropped Cases (1000 + 0 =1000)
- **Received Cases** = Invoiced Cases (System Captured Cases – Cancelled Cases) –Refused Cases ((800 -0) -0)

Example 2 Complex Scenario

- RET Company orders 10 products that total 1000 KG on its Purchase Order #PO1.
- MAN Company ships out 800 KG on 3/3/2007, and the remaining 200 KG on 3/10/2007.
- MAN Company sends an invoice for 800 KG, on its invoice #INV1 and the remaining 200 KG on its Invoice#INV2.
- RET Company accepts 500 KG and refused 300 KG on 3/4/2007.
- The Fill Rate for this PO1 is 50%.

Calculation:

- **Fill Rate %** = Received KG/ Ordered KG. (500/1000 = 50%)
- **Ordered Pounds** = System Captured KG + Dropped KG (1000 + 0 =1000)
- **Received Pounds** = Invoiced KG (System Captured KG – Cancelled KG) –Refused KG ((800 -0) -300)

9.2.9.7. Reference Source

- GCI KPI02/03 (unit basis vs. cost basis)

9.2.9.8. Typical Data Source

- Retailer for Received Fill Rate
- Supplier for Shipped Fill Rate

9.2.10. Order to Delivery Cycle Time (Hours)

9.2.10.1. Aliases

- Order / Delivery Lead Time
- Lead Time
- Cycle Time
- Order Delivery Cycle Time
- Delivery Lead Time

9.2.10.2. Definition

The average length of time between order placement (fax, phone, EDI) and the time product arrived and was available for unloading at the agreed customer location.

9.2.10.3. Rationale

This measure provides an ability to calculate how quickly an order is processed to delivery. The measure plays an important role in evaluating the effectiveness of the organizations order to delivery process.

9.2.10.4. Formula

$$OrderToDeliveryCycleTime = \frac{\sum_i (ReceivedDateTime_i - OrderDateTime_i)}{i}$$

Where *ReceivedDateTime* = Date Time on which product is 'checked in and available for unloading' by the customer (including transit, warehousing, appointment delays)

Elapsed time is measured in calendar hours, not business hours.

Order Received Date Time = Date Time 0

Order Actual Receipt Date Time = Date Time on which product is 'checked in and available for unloading' by the customer (including transit, warehousing, appointment delays)

Individual Orders

$$\boxed{OrderActualReceiptDateTime - OrderReceivedDateTime = OrderToDeliveryCycleTime}$$

Orders over a Period

$$\boxed{=Average\ of\ Order\ to\ Delivery\ Cycle\ Time\ (for\ all\ orders\ delivered\ within\ period)}$$

- ✓ **Note:** Order to Delivery Cycle Time does not include the time during which product is being slotted in a customer's warehouse until such time as available to ship to retail outlets

9.2.10.5. Conditions

Order to Delivery Cycle Time is highly dependent on manufacturer lead-time requirements and buyer requested delivery date. It should however, be simple to report basis 2 common activities, order placement and order actual arrival at the customer's gate/dock location (i.e. checked in at gate and available for unloading).

The date time stamp of order placement should be a common metric of date time -0- and not factored into the cycle time calculation due to the variability of order placement methodologies.

Order to Delivery Cycle Time is calculated using actual elapsed time in calendar hours, not business hours.

Many activities can occur simultaneously within the cycle (ex. transportation tendering and warehouse picking)

Backorder of cut cases should be factored with a new Order to Delivery Cycle Time, even though an open component of the original purchase order.

Advanced orders can increase the cycle time substantially.

9.2.10.6. Examples

 **Note** The unit of measure to calculate Order to Delivery Cycle Time is hours, and the alternative can be days as it can be calculated. This is consistent with GCI use of hours to calculate

Example 1: Manufacture to forecast assuming 7 calendar day operations

- Order is placed via EDI by customer (Hour #0)
- Order is processed/reviewed by manufacturer and/or sent to plant/distribution facility for fulfilment (Hour #24)
- Order is picked and transportation arranged in correspondence with the buyer 'requested delivery/pickup date' (Hour #48 - Hour #72)
- Shipment departs fulfilment location en route to customer location (Hour #96) – 24 hour transit
- Product arrives at customer location and is available for unloading (Hour #120)
- Order to Delivery Cycle Time = 120 hours
- Order to Delivery Cycle Time = (120-0)/1

Example 2: Manufacture to order, assuming 3 day production cycle

- Order is placed via EDI by customer (Hour #0)
- Order is processed/reviewed by manufacturer and/or sent to plant/distribution facility for fulfilment (Hour #24)
- Production of product occurs (Hour #96)
- Order is staged and transportation arranged in correspondence with the buyer 'requested delivery/pickup date' (Hour # 120)
- Shipment departs fulfilment location en route to customer location (Hour # 144) – 24 hour transit
- Product arrives at customer location and is available for unloading (Hour #168)
- Order to Delivery Cycle Time = 168 hours
- Order to Delivery Cycle Time = (168-0)/1

9.2.10.7. Reference Source

- GCI Lead Time – Order / Delivery Cycle Time

9.2.10.8. Typical Data Source

- Retailer

- ✓ **Note** From a Direct Store Delivery perspective-- there are too many uncontrollable factors at a store level to apply this measure

9.2.11. On Time Delivery (%)

9.2.11.1. Aliases

- None

9.2.11.2. Definition

The percentage of shipments that arrived on the receiver's premises within the agreed date time out of all shipments that were delivered. The first scheduled appointment date time is the recommended agreed date time, and the complete agreed date time list is available in the parameter table.

9.2.11.3. Rationale

On Time Delivery is a measure that is used to evaluate the timeliness of deliveries to the receiver. It is commonly used between trading partners to determine the effectiveness of the transportation carrier that is being used, as well as the overall responsiveness of the supplier. Late deliveries create supply chain inefficiencies as they disrupt the receiving process and lead to extra trailer moves and appointment scheduling adjustments. In more "lean" or "just-in-time" environments, a poor On Time Delivery rating could have serious store service level ramifications, as it is an indicator that the product was not available for shipment to the stores.

9.2.11.4. Formula

$$OnTimeDelivery\% = \left(\frac{TotalDeliveries - NonCompliantDeliveries}{TotalDeliveries} \right) * 100$$

- **Total Deliveries:** refers the number of deliveries made from the supplier to the receiver in a given time period
- **Noncompliant Deliveries:** refers to the number of deliveries that did not arrive on the receiver's premises within the agreed date time in the same time period.

9.2.11.5. Conditions

1. On Time Delivery should be based on the receiver's record of check-in.
2. There are several commonly used definitions for this measure. For example:
 - Some trading partners consider a delivery "on time" if it arrived within a defined time window (e.g. within 2 hours of a scheduled appointment date time). However, the most common definition considers a delivery "on time" only if it arrived on or before the scheduled appointment date time. While this measure supports both "delivery window" and "on or before" alternatives. The recommend approach is to use "on or before".

- Oftentimes, the timeliness of deliveries is measured against the original order (PO) date. However, the first scheduled appointment date time is the preferred target as it is the first time that both trading partners are able to confirm a delivery time. Similarly, the last scheduled appointment date time is not the preferred target as it often tends to measure a retailer, supplier, or carrier's ability to adjust to last minute changes, as opposed to truly measuring on time delivery.
- 3. DSD Considerations.**
- In a traditional Direct-Store-Delivery (DSD) environment, such as beverages, packaged cookies/crackers, and bagged snacks, there is typically not a "Purchase Order," but rather an order that is generated by the supplier or an agent of the supplier. Therefore, "On Time Delivery" should be based on the order that is generated by the supplier.
 - DSDs are typically measured by the ability to deliver the product within a date time window.
 - Since there will not necessarily be a receiver check-in log, the DSD supplier's records will determine whether a delivery is on time or not.
 - Given these considerations, DSD On Time Delivery should be the percentage of a supplier's shipments that arrived at the store by the end of the agreed upon delivery window.
- 4. Backhaul / CPU Considerations**
- On Time Delivery for Customer Pick-Ups (CPU) should be measured the same as it is for traditional deliveries.

9.2.11.6. Examples

Example 1: "On or before" appointment time vs delivery window

A retail buyer creates a Purchase Order, which includes a delivery date of March 15. The supplier contracts with a carrier to make the delivery. The carrier calls the retailer to obtain an appointment date time at the retail distribution centre. The carrier is given an appointment date time of 3PM on March 15. According to the retail check-in records, the carrier arrived at the retail distribution guard shack at 3:15PM.

This delivery is late when the Delivery Time Reference Basis parameter is the "first scheduled appointment" date time and the Appointment Time Measurement Basis is "on or before".

If the Appointment Time Measurement Basis is set to "delivery window" and the Delivery Window is equal to or greater than 15, the delivery would be considered on time.

Example 2: First vs Last scheduled appointment date time (weather related)

A retail buyer creates a Purchase Order, which includes a delivery date of March 15. The supplier contracts with a carrier to make the delivery. The carrier calls the retailer to obtain an appointment date time at the retail distribution centre. The carrier is given an appointment date time of 3PM on March 15. Due to a snow storm, the retailer contacts the carrier and pushes the delivery appointment back to 1PM on March 17. According to the retail check-in records, the carrier arrived at the retail distribution guard shack at 12:30PM on March 17.

The delivery is considered to be on time when the Delivery Time Reference Basis parameter is based on recipient last scheduled appointment date time and the Appointment Time Measurement Basis is "on or before".

The delivery is considered late when the Delivery Time Reference Basis parameter is based on first scheduled appointment date time and the Appointment Time Measurement Basis is "on or before".

Example 3: First vs Last scheduled appointment date time (production issue)

A retail buyer creates a Purchase Order, which includes a delivery date of March 15. The supplier contracts with a carrier to make the delivery. The carrier calls the retailer to obtain an appointment date time at the retail distribution centre. The carrier is given an appointment date time of 3PM on March 15. Due to a production problem, the supplier is behind and the product is not ready for shipment. The carrier calls the retailer to reschedule the delivery and they agree on a new appointment date time of 1PM on March 17. According to the retail check-in records, the carrier arrived at the retail distribution guard shack at 12:30PM on March 17.

The delivery is considered to be on time when the Delivery Time Reference Basis parameter is based on recipient last scheduled appointment date time.

The delivery is considered late when the Delivery Time Reference Basis parameter is based on first scheduled appointment date time.

Example 4: First scheduled appointment date time vs. need-by date

On March 14, a retail buyer creates a Purchase Order, which includes a delivery date of March 15. The supplier requires 3 days of lead time, so the product will not be available for delivery at the distribution centre until March 17. The carrier calls the retailer to obtain an appointment date time at the retail distribution centre. The carrier is given an appointment date time of 3PM on March 17. According to the retail check-in records, the carrier arrived at the retail distribution guard shack at 2:30PM on March 17.

This load would be considered late when the Delivery Time Reference Basis parameter is based on the original P.O. need-by date.

This load would be considered on time when the Delivery Time Reference Basis parameter is based on first scheduled appointment date time.

Example 5: (direct store delivery)

Retail Outlet has set delivery days assigned by the supplier. Store has agreed upon delivery windows within those given days for DSD suppliers to arrive. Retailer has this schedule in their receiving system. Suppliers' delivery driver arrives at the store on the day of the week and within the delivery window they are assigned to.

This is considered on time when the Delivery Time Reference Basis parameter is based on first scheduled appointment date time.

Example 6: Early delivery

A retail buyer creates a Purchase Order, which includes a delivery date of March 15. The supplier contracts with a carrier to make the delivery. The carrier calls the retailer to obtain an appointment date time at the retail distribution centre. The carrier is given an appointment date time of 3PM on March 15. According to the retail check-in records, the carrier arrived at the retail distribution guard shack at 12:30 PM.

This delivery is on time when the Delivery Time Reference Basis parameter is the "first scheduled appointment" date time and the Appointment Time Measurement Basis is "on or before."

If the Appointment Time Measurement Basis is set to "delivery window" and the Delivery Window is less than 150, the delivery would be considered non-compliant.

9.2.11.7.Reference Source

- None

9.2.11.8. Typical Data Source

- Receiver (Retailer, Wholesaler) for the non DSD environment
- Supplier for the DSD environment

9.2.12. Finished Goods Inventory Cover (Days)

9.2.12.1. Aliases

- Days of Supply
- Days of cover
- Manufacturer / Supplier finished goods inventory
- Retail Distribution Centre Finished Goods Inventory
- Retail Store Finished Goods Inventory

9.2.12.2. Definition

The amount of finished goods inventory at the stocking location (or locations) in terms of the estimated daily demand.

9.2.12.3. Rationale

The GCI Scorecard currently contains four separate definitions for Inventory Cover spanning across various points of the supply chain. Those definitions include **raw materials** at the manufacturer and **finished goods** at the supplier, the retail distribution centre, and the retail store. For the purposes of this exercise, Finished Goods Inventory Cover will be defined to encompass all finished goods regardless of where they exist in the supply chain. Raw Materials Inventory Cover will be defined separately. In the future, the ability to aggregate inventory across the entire supply chain will allow for better purchasing and distribution decisions.

9.2.12.4. Formula

$$InventoryCover_{Days} = \frac{OnHandInventoryBalance}{EstimatedDemand_{Day}}$$

- **OnHandInventoryBalance** = Finished goods inventory on hand in units or cases. Pipeline finished goods inventory (en route to next recipient in supply chain) is also included if the Inventory Basis parameter is set to PIPELINE INVENTORY INCLUDED. The default is not to include pipeline inventory.
- **Estimated Demand** = Demand in number of cases or units required for one day. Demand is estimated based upon average historical movement by default, but if the Demand Estimation Basis is set to FORECAST BASIS, forecasted demand is used instead.



Note Units could be substituted for cases (especially useful for DSD measurements)

9.2.12.5. Condition

The valuation of Finished Goods Inventory and demand should be expressed using a consistent basis. For example, the number of cases in Finished Goods Inventory and the demand could each be expressed in terms of cases or units. Both variables must be expressed in the same context.

Finished Goods Inventory on hand and pipeline Finished Goods Inventory are snapshots that must be captured at consistent time periods.

9.2.12.6.Examples

Example 1: Manufacturer/Supplier's Finished Goods Inventory Cover

A manufacturer has 10,000 cases of finished goods inventory on hand, and 5,000 cases of finished goods inventory in transit to their retailers. They project a demand of 35,000 cases for the upcoming 7 days.

- **OnHandInventoryBalance** = 10,000 Cases on Hand + 5,000 Cases in Pipeline
- **Estimated Demand** = 5,000 cases per day (35000/7)
- **OnHandInventoryBalance / Estimated Demand** = 10,000 cases + 5,000 cases / 5,000 cases = 3 days of cover

Example 2: Retail Distribution Centre Finished Goods Inventory Cover

A retailer has 125,000 cases of finished goods inventory on hand in their distribution centre, and 12,000 cases of finished goods inventory in transit to their retail stores. They project a demand of 105,000 cases for the upcoming 7 days.

- **OnHandInventoryBalance** = 125,000 Cases on Hand + 12,000 Cases in Pipeline
- **Estimated Demand** = 15,000 cases per day (105000/7)
- **OnHandInventoryBalance / Estimated Demand** = 125,000 cases + 12,000 cases / 15,000 cases = 9.13 days of cover

Example 3: Retail Store Finished Goods Inventory Cover

A retailer has 500 cases of finished goods inventory on hand in their store (includes the sales floor and the backroom). They project a demand of 350 cases for the upcoming 7 days.

- **OnHandInventoryBalance** = 500 cases
- **Estimated Demand** = 50 cases per day (350/7)
- **OnHandInventoryBalance / Estimated Demand** = 500 cases / 50 cases = 10 days of cover

9.2.12.7.Reference Source

- GCI BM07/8/9

9.2.12.8.Typical Data Source

- Retailer
- Supplier for Scenario #1 Manufacturer/Supplier's Finished Goods Inventory Cover

9.2.13. Forecast Accuracy (%)

9.2.13.1.Aliases

- Forecast Quality

9.2.13.2. Definition

The mean absolute percent agreement of the forecast with the actual sales, receipt or shipment quantity, expressed in unit volume or monetary terms.

9.2.13.3. Rationale

Forecast Accuracy is the measure that business people most commonly use to evaluate the effectiveness of sales, order or shipment forecasts. While forecasting as an academic discipline most often measures forecast quality in terms of forecast error, it is more typical in trading partner relationships to set goals in terms of improving accuracy.

9.2.13.4. Formula

There are many ways to calculate forecast accuracy. For the purposes of Trading Partner Performance Management (TPPM), the preferred formula is one minus the unit-sales-weighted mean absolute percentage error (MAPE). This is the sum of the absolute values of the forecast errors (unit forecast – actual sales units) divided by the sum of the actual sales units.

$$ForecastAccuracy\% = \left(1 - \left(\frac{\sum_{i=1}^n |Actual_i - Forecast_i|}{\sum_{i=1}^n Actual_i} \right) \right) * 100$$

Period of Time is defined by the submitter of the Forecast

Technically, this formula is more properly referred to as a Percentage Mean Absolute Deviation (PMAD), because classical MAPE calculations sum together the individual percentage errors, rather than summing the absolute errors and dividing by the total sales. The reason that the PMAD approach is preferred in practice for retail sales forecasting is because classical MAPE causes a divide-by-zero error if any product in the scope of the calculation has zero sales. The PMAD approach usually avoids this problem when used at a category or business level, where forecast accuracy is usually reported.

There are situations in which forecast error can be greater than 100%, and as a result, forecast accuracy is negative. In these cases, forecast accuracy is defined as 0%.

9.2.13.5. Condition

Forecast Accuracy should be measured at a product item level for the scope of the business being evaluated. Sales forecast accuracy for XYZ brand in the trading relationship between Retailer A and Manufacturer B would take the forecast for each item in the XYZ brand, and compare it to actual sales for that brand summed across all Retail A unit store sales.

Forecast Accuracy should also be measured based upon a lagged forecast – that is, a forecast that was made some time prior to the actual sales being recorded. TPPM recommends that a forecast lag of four weeks (or one month) be used. If the forecast was based upon a different lag, the lag value should be noted.

9.2.13.6. Examples

A retailer has three stores – 1, 2 and 3 – that sell Item A. On February 1, the retailer forecasts sales of 100 units of Item A for each store for the week of March 1.

On March 2, the retailer reports that actual sales of Item A at stores 1, 2 and 3 for the week of March 1 were 90, 100, and 110. As a result, the forecast accuracy for Item A was:

Store	Forecast Unit Sales	Actual Unit Sales	Absolute Deviation	Result
1	100	90	10	
2	100	100	0	
3	100	110	10	
				90%

Store	Forecast Unit Sales	Actual Unit Sales	Absolute Deviation	Result
1	100	90	10	
2	100	100	0	
3	100	110	10	
Total	300	300	20	20/300 = 6.7% Forecast Error. 100% - 6.7% = 93.3% Forecast Accuracy

9.2.13.7. Typical Data Source

- Retailer

9.2.14. On Time Payment (%)

9.2.14.1. Aliases

- None

9.2.14.2. Definition

The percentage of payments made within a seller's terms of sale out of all payments received.

9.2.14.3. Rationale

On time payment is a critical measure to drive the implementation of action plans, with the goals to drive timely payment of invoice.

9.2.14.4. Formula

$IF(FundsReceiptDate - InvoiceDate) \leq SellerTerms \Rightarrow OnTimePaymentOccurrence$

$$OnTimePayment\% = \left(\frac{\sum OnTimePaymentOccurrence}{\sum PaymentOccurrence} \right) * 100$$

Where Start of Terms Date is the date at which the invoice is generated by the seller (Day 0).

Receipt of Funds Equals:

1. Funds in the Mail: Date of payment postmark by US Postal Service
2. Funds in the Bank: Date at which funds are received into the manufacturers account
 - a. Electronic Funds Transfer: Date at which verifiable 'good funds' (bank clearing date) are received into the Manufacturer's account.
 - b. Bank Clearing Date: When the funds are cleared and available to the recipient (which is often 24 hours after the initiation of the payment).

9.2.14.5. Condition

On Time Payment is highly dependent on each manufacturer's terms of sale.

The Start of Terms Date should be a common metric to commence the On Time Payment metric (Day 0)

Receipt of funds ends the On Time Payment metric

9.2.14.6.Examples

Example 1 Simple Scenario – In the Mail Terms

- Manufacturer: Net 30 Terms
- Start of Terms Date: 9/1/2007
- Invoice is generated on 9/1/2007 (Day 0)
- Customer mails payment on 9/30/2007
- Postmarked by USPS on 10/1/2007
- Payment is considered 100% On-Time

Example 2 Complex Scenario - EFT w/discount ***

- Manufacturer: 2%/10 days, Net 20, In the Bank
 - Payment Method EFT
 - Start of Terms Date: 9/1/2007
 - Invoice is generated on 9/1/2007 (Day 0)
 - Customer begins EFT transaction on 9/10/2007 (w/2% discount)
 - Bank clears funds on 9/11/2007
 - Payment is considered 100% On-Time
- OR -
- Invoice is generated on 9/1/2007
 - Customer begins EFT transaction on 9/20/2007 (for full invoice \$)
 - Bank clears funds on 9/21/2007
 - Payment is considered 100% On-Time

 **Note** Calculation is strictly a measure of timing; it does not take into consideration compliance with other terms (e.g. discount).

9.2.14.7.Reference Source

- None

9.2.14.8.Typical Data Source

- Manufacturer

9.2.15. Out of Stock (%)

9.2.15.1. Aliases

- Stockout Percentage
- Use of the reciprocal (in-stock percentage) is also common

9.2.15.2. Definition

The percentage of items that is not available at their expected stocking locations out of the set of item stocking locations that were evaluated.

9.2.15.3. Rationale

The most basic way to evaluate the effectiveness of distribution practices is to measure the percentage of items that are out of stock at a store or distribution centre at any given time.

While the formula for out-of-stock percentage is simple, the means of identifying which locations are out of stock can vary dramatically – particularly when the measure is being calculated at the store shelf. Common techniques of out-of-stock measurement include the following:

Manual audits – Personnel scan a set of stocking locations at a point in time, and note how many items is out-of-stock.

Perpetual inventory – Automated systems adjust the on-hand quantity by the number of items sold and received each day.

RFID/EPC – RFID tags identify each unit, or each case or pallet of product at the location.

Sales data analysis – Statistical models identify which items are likely to be out-of-stock based on deviations from an expected sales rate. For example, if sales for a fast-moving item are zero at a store on a given day, it can be assumed to be out-of-stock.

Some techniques try to determine the cost or duration of particular out-of-stocks. However, for trading partner performance measurement purposes, the out-of-stock percentage is usually reported in aggregate, and a simple point-in-time calculation is recommended. Related measures such as lost sales can be used to estimate the financial impact of in-stock improvements.

9.2.15.4. Formula

$OnHandInventory(StockingLocation) = 0 \Rightarrow OutOfStockLocation$

$$OutOfStockPercentage = \left(\frac{\sum OutofStockLocation}{\sum StockingLocation} \right) * 100$$

9.2.15.5. Examples

A retailer hires a firm to conduct weekly audits of out-of-stock items in the beverage category across all of its stores. The firm finds that, on average, 150 items are out of stock out of an average of 2000 total beverage items that are stocked in each store. As a result, the out-of-stock percentage at shelf level for the beverages category is $(150/2000)*100 = 7.5\%$.

9.2.15.6. Reference Source

- A more detailed discussion of out-of-stock measurement and remediation can be found in “A Comprehensive Guide to Retail Out-of-Stock Reduction in the Fast-Moving Consumer Goods Industry” by Thomas Gruen and Daniel Corsten, published by the GMA, FMI and NACDS. It can be found at:
- http://www.gmaonline.org/publications/docs/2007/OOS_fullreport.pdf.

9.2.15.7. Typical Data Source

- Retailer
- Third Party Data (i.e. Nielsen, IRI)

9.2.16. Unsaleables (%)

9.2.16.1. Aliases

- None

9.2.16.2. Definition

The percentage of products that were removed from the primary channel of distribution due to damage, expiration, discontinuation, seasonality, promotion completion or defects.

9.2.16.3. Rationale

Provide a common framework for the calculation of unsaleables for CPG products. As part of the Trading Partner Performance scorecard, results of the unsaleables measurement should drive collaborative discussions between manufacturers and wholesalers/distributors. These discussions should focus on:

- Collaboration to identify root causes of unsaleables
- Plans to reduce overall unsaleable expense in the supply chain
- Sharing of expenses associated with unsaleables
- Use of reclamation centres remains widespread and provides useful data to identify and address the root causes of Unsaleables.

 **Note** The payment process for unsaleables typically occurs in one of two formats, retailer reclamation invoice/deduction or a vendor’s reimbursement program. For purposes of this document, payment of unsaleables process /method of reimbursement are NOT addressed.

9.2.16.4. Formula

$$Unsaleables\% = \left(\frac{TotalItemCost - UnsaleableItemCost}{TotalItemCost} \right) * 100$$

9.2.16.5. Condition

Unsaleable Reasons may include

Unsaleable Reason	Description
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Unsaleable Reason	Description
DAMAGED	product that the average retailer would choose not to shelve or consumer would choose not to purchase based on condition of external packaging
DEFECTS	items that are not in workable condition
DISCONTINUED	products that are no longer active in the marketplace
OUTDATED	product beyond its 'best if used by' or shelf life
POST_PROMOTIONAL	post promotional items that are not able to be placed into open stock on the shelf (i.e. unique and not stocked)
SEASONAL_ITEMS	post seasonal items that are not able to be placed into open stock on the shelf (i.e. unique and not stocked)

- Note** Quality or Safety recalls are not considered part of the unsaleables process and should be addressed separately.

9.2.16.6.Examples

Cost of goods removed as unsaleable	\$10		100		
Cost of total goods purchased	\$1,000	X	1		= 1%

- Note** The “true cost” of Unsaleables, when measured in financial terms, should be **NET** of any manufacturer provided allowances or discounts

Results of the above calculation are typically ‘benchmarked’ against other vendors and/or against other Wholesalers/Distributors depending on the party analyzing the information.

9.2.16.7.Reference Source

- “Improving Unsaleables Management Business Practices – Joint Industry Recommendation”, 2005 FMI, GMA
- “Product Reclamation Centres: A Joint Industry Report”, 1990, FMI, GMA et al.

9.2.16.8.Typical Data Source

- Retailers

9.2.17. Markdowns (%)

9.2.17.1.Aliases

- None

9.2.17.2.Definition

The percentage of monetary sales that were sold at below the normal retail price (that can include but not exclusive to) seasonal clearance, discontinuation, employee discount, response to competitive activity or other retailer-initiated price reductions.

9.2.17.3.Rationale

This measure captures the extent to which items sold did not yield the (unit retail) revenue that might have been expected. Some level of markdowns can always be expected, but increases in this value could indicate that seasonal timing, assortments, pricing or product placement need to be adjusted.

9.2.17.4.Formula

$$Markdown\% = \left(\frac{Sales_{Markdown}}{Sales_{Total}} \right) * 100$$

- Sales_{Markdown} = Monetary sales in the period for items sold at lower than the normal retail price.
- Sales_{Total} = All monetary sales for items sold in the period.

 **Note:** This measure depends upon the retailer's information systems being able to capture and report instances of sales made at markdown prices.

9.2.17.5.Conditions

The monetary sales values used to calculate markdown percentage are the total business in the scope of the geography being measured, not a "same store sales" measure.

9.2.17.6.Example

- Sales in most recent 12 months = 12.0 Million
- Sales of items at marked down price in most recent 12 months = 300,000
- Markdown percentage = ((300,000)/12,000,000)*100 =2.5%

9.2.17.7.Reference Source

- None

9.2.17.8.Typical Data Source

- Retailer

10. Summary of Changes

Change	BSD Version	Associated CR Number
Initial BSD	0.1.0	
Added additional examples. Submitted for Peer Review and Architecture Group Review	0.1.1	
Updated based on Peer Review	0.1.2	
Added code value: NUMBER_OF_DAYS in Time Period Scope Type List	0.1.3	

Change	BSD Version	Associated CR Number
Forecast Accuracy example updated with totals Motioned during F2F Meeting in Lille France	0.1.4	