



# SUPPLY CHAIN ACCOUNTING

KONKURRENCEKRAFT GENNEM SUPPLY CHAIN INNOVATION

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## **Purpose**

The purpose of supply chain accounting is, based on a set of key figures focused on service and costs respectively, to provide an overview of supply chain performance. It is composed of several measurements depending on the company's definition and reporting of measurements (see the two previous tools).

## **Participant(s)**

Management and supply chain management.

## **Application**

This tool is used when measurements have been defined and the management has decided on a reporting period, e.g., monthly, quarterly or yearly.




## Method

It is important to point out that the following are examples and ideas for inspiration. Thus, there may be other, equally meaningful, key figures that are not mentioned here.

Examples of areas, for which key figures need to be identified to ensure the company's service to its customers:

- Order cycle
- Stock availability
- Order size
- Delivery speed
- Delivery performance
- Scrapping
- Technical support
- Order status information





Examples of key figures that help to ensure an overview of company costs related to its supply chain:

- Contribution rate
- Return of sales
- Return on capital

Another example of a method for setting up supply chain accounting is the 11.0 SCOR model. The SCOR 11.0 model is a management tool that has been developed to describe business activities related to all phases of having satisfied customers by describing the company's supply chain through processes.



## **Benefits**

The advantage of this tool is to ensure that the company works with the key figures that best describe its supply chain. Hereby the supply chain management and top management may ensure that only relevant measurements are implemented.

## **Output**

The output of this tool is an overview of the company's supply chain performance.