

Appendix O: SUPPLY PERFORMANCE MEASUREMENT

GENERAL

This section addresses measures of customers' quality of service and cost. Supply support requires proper controls to ensure that planned sources, procedures and methods produce desired results consistently. Performance measures shall be used by the component's supply management activity to influence management of supply outputs and to address the objectives of supply management in the eyes of the customer.

Effective supply activities measure various facets of customer service and cost. Such measurement can detect problems before they adversely impact customer service levels. Problem detection encourages supply elements to continuously improve their supply support and take advantage of the opportunities presented by changing business practices and technological advances.

The supply support system is evaluated on its ability to quickly locate assets and fill customer requirements without maintaining expensive inventories in warehouses that are costly to maintain and operate.

1. Performance measures are grouped according to their focus on service levels, cost, and data accuracy. Performance measures are independent of the supply strategies they evaluate.
2. They can be used to compare supply support strategy alternatives. This allows supply managers to choose, or change to, the strategy which strikes the right balance of responsiveness and costliness, the most appropriate strategies for their organizations and items.

For more performance measures information, components shall refer to the report "Supply Performance Measures for the HHS" developed by the Office of Acquisition Management and Policy (OAMP), Assistant Secretary for Administration and Management (ASAM) in coordination with the OPDIV and STAFFDIVs; the Government Performance and Results Act of 1993; the National Performance Review Report (NPR) and pertinent Executive Orders.