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Gartner for Supply Chain

Redefining Supply Chain Maturity Assessment

Gartner Supply Chain Score not only diagnoses your current functional maturity level but also identifies what matters most and what to do about it.



Introduction

Chief supply chain officers (CSCOs) may be confident about their impact on the overall enterprise, but Gartner survey data shows supply chain struggling to move from the back office to the boardroom.

- CSCOs report that CEO perception of the supply chain has declined in value compared to other business functions since 2020. Specifically, 52% of CSCOs indicate that CEOs do not see supply chain as equally important to business success as other functions.¹
- Just 32% of CSCOs earn their CEO's recognition for alignment with business strategy.²
- Only 1% of C-suite executives see the CSCO as influential in terms of securing resources, garnering support for ideas and shaping group opinions.³

Supply chain preparedness for future drivers hinges on the development of a robust supply chain operating model that features five key characteristics: agility, resilience, regionalization, integrated ecosystems and integrated enterprise strategy. But many supply chain organizations lack the strategic foresight required to tackle future challenges. In fact, only 19% of organizations fully integrate scenario planning into their supply chain strategies.¹

Leading CSCOs know that regularly assessing functional performance against a structured framework is a critical technique as they seek to increase supply chain capabilities, prompting us to develop the Gartner Supply Chain Score diagnostic tool. We based our work on our empirical evidence of progressive supply chain practice, isolating the key ingredients of each maturity level. Not only does Gartner Supply Chain Score show how far a supply chain function has progressed, but it also indicates the steps to take next and what to prioritize. You don't just get a score; you get a data-driven action plan and roadmap for supply chain transformation based on our expert knowledge of best practices from organizations of different levels of maturity.



What makes Gartner Supply Chain Score different

Prioritization of investment

Improving the maturity of some processes is likely to be more important than improving others. In a world of finite resources, all functions must prioritize the activities that matter most.

Our model enables organizations to prioritize their efforts by assessing functional processes and activities along two dimensions:

- **Maturity.** How advanced an organization's development is in a functional activity relative to best practice.
- **Importance.** The relative importance of each functional activity to the overall effectiveness of a function in meeting business objectives.

The Activity Priority Index (API) compares the average gap between maturity and importance. This metric is computed for each activity and then weighted by its average importance to identify the highest-priority activities for improvement.

Clear path to maturity

Activity-level maturity and API scores enable us to provide more detailed recommendations on action steps than are normally available from maturity assessments.

In addition, it doesn't presuppose that you need to spend more or do more to advance in maturity. In many cases, higher levels of maturity are about doing things differently, replacing some activities with others or ceasing to do certain things.

In addition to providing actionable steps and implementation support, a Gartner analyst or advisor delivers the report and supports prioritization and action planning.*

Dynamic and adaptable

Each maturity level for every activity is periodically reassessed as part of our ongoing research about the characteristics that distinguish the most progressive companies. The levels are designed to evolve as the actual state of practice changes, unlike many of the more static models available. Furthermore, the diagnostic can be scoped to fit your organization, timeline and focus.

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^{*}Eligibility pending.

How Gartner Supply Chain Score works

Measure

Figure 1 shows supply chain leaders assessing the importance of activities to their key objectives and indicating if the activity is common practice that is performed consistently.

Figure 1: Gartner Supply Chain Score diagnostic

Excerpt

Objective: Manage supply chain strategy

Activity	Not important to key objectives	Somewhat important to key objectives	Important to key objectives	Very important to key objectives	Unable to assess
Design supply chain strategy: How the supply chain sets the vision and objectives to deliver functional and corporate goals.	0	0	0	0	0
Manage supply chain financials: How the supply chain meets financial targets, manages funds and contributes to revenue growth.	0	0	0	0	0
Manage strategy for sustainability: How supply chain designs, manages and governs for sustainability.	0	0	0	0	0

Activity: Design supply chain strategy

As you consider each of the statements below, please select "Yes" if the statement reflects common practice already in place and is performed consistently (at least 80% of the time).

Activity	Yes	No	Don't know
Supply chain functions set individual functional strategies and objectives.	0	0	0
Supply chain functions design functional strategies to scale capabilities.	0	0	0
Supply chain functions define network strategy to attain functional goals.	0	0	0
Supply chain function designs risk management strategies.	0	0	0
Supply chain designs integrated strategy that spans all supply chain functional areas.	0	0	0

Source: Gartner



Prioritize

Figure 2 shows the maturity level of each activity (represented by the blue columns) and its importance (orange bars). The higher the column, the more mature that activity was judged to be. The higher the bar, the more important the activity was deemed to be. Scanning this graphic is a quick way to spot themes or consistent areas of maturity or immaturity.

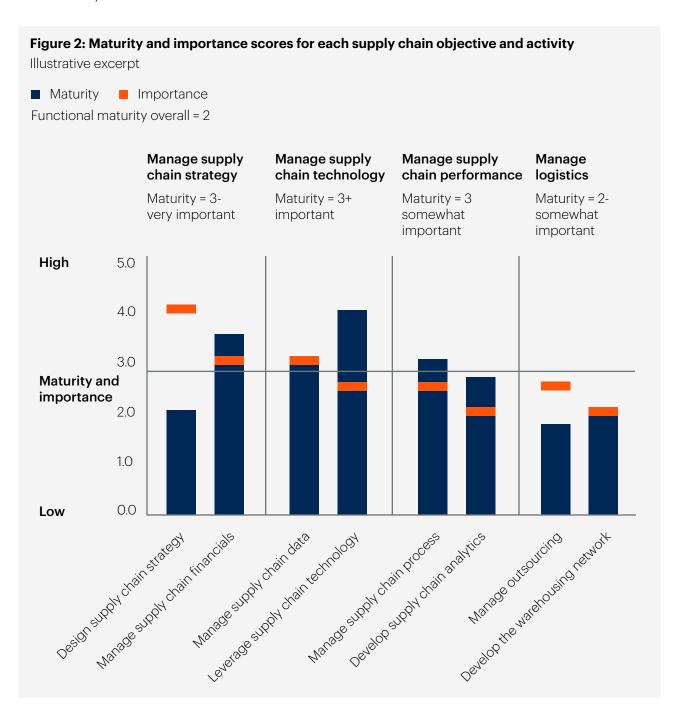
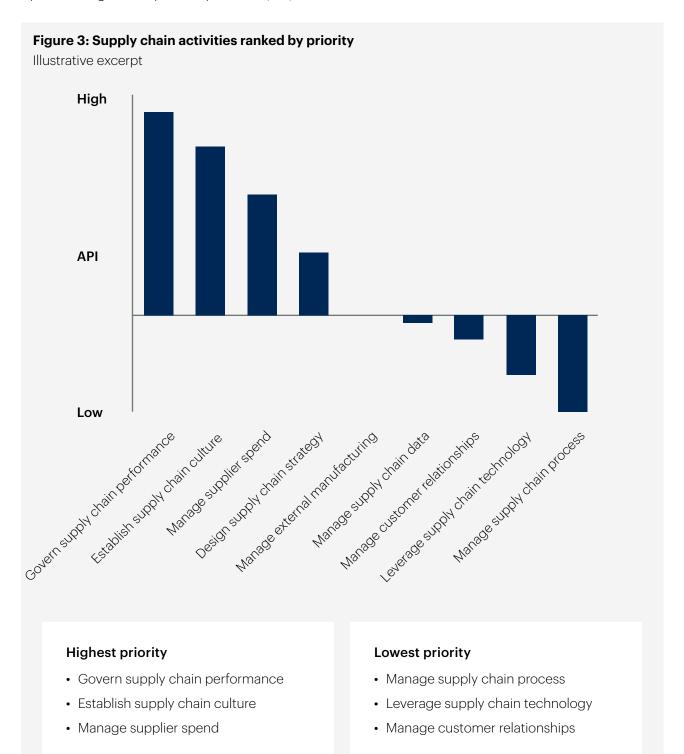




Figure 3 shows the ranking of opportunities for improvement, calculated by combining maturity and importance (API).





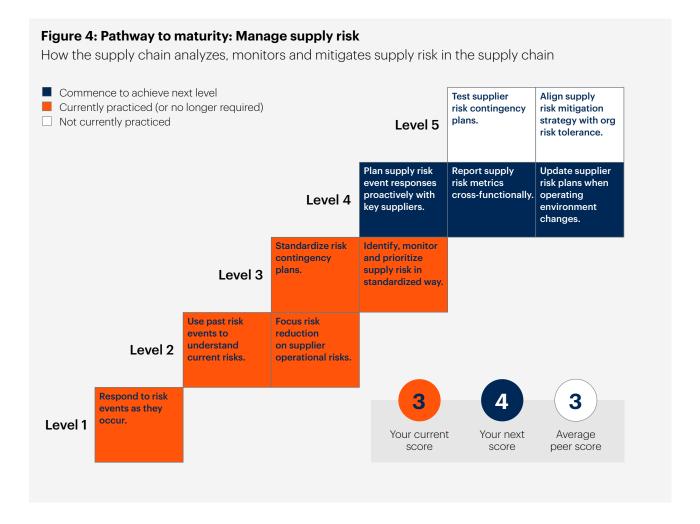
Improve

Figure 4 shows how to get to the next level of maturity. For each of the activities with the highest API scores — the biggest opportunities for improvement — the pathway to maturity lists the action steps to reach the next level, and provides recommended resources. A Gartner advisor or analyst delivers the report and helps with prioritization and action planning.*

Each horizontal row of the graphic lists the subactivities that best differentiate one level of maturity from the next.

As the key indicates:

- Certain activities were judged to be currently practiced and effective.
- Other actions are needed to fully achieve the next level of maturity.
 Organizations should focus on either putting these in place (because they don't exist yet) or achieving consistent levels of effectiveness (because they exist but are not practiced effectively).



^{*}Eligibility pending.



Closing thoughts

Without a clear understanding for how to improve functional effectiveness, an organization may end up with ad hoc, disparate, and often unsupported investments and initiatives. What's more, without a reliable, trustworthy assessment of functional effectiveness, it's difficult to structure and communicate plans with concrete, forward guidance.

Gartner Supply Chain Score measures performance in critical functional objectives and activities to guide your transformation program. The tool clarifies critical maturity gaps and prioritizes areas for improvement. It also maps out a long-term path to the desired level of maturity, and a Gartner advisor or analyst helps with sequencing next steps and leveraging recommended resources.*

CSCOs can use the tool in a variety of situations including:

- Drive conversations around strategic or annual planning
- Inform functional transformation
- Allocate resources
- Manage change (e.g., M&A, restructuring)
- Build team consensus
- Compare priorities across functions

"Gartner helps us with our challenges by providing frameworks and benchmarking insights so that we can up our game and mature our supply chain."

Director, Projects Portfolio Strategy & Deployment Consumer Healthcare

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^{*}Eligibility pending.

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