

KPI Benchmarks For Food and Beverage

How Does Your Company Measure Up Against Your Peers?



Distribution Costs as % of Revenue

Distribution costs represent one of the largest cost areas for a food and beverage company. It's important when working with perishable items that the shipment method has the correct environment and timeliness to get items on the shelf at their peak freshness. Some businesses lower distribution costs by consolidating shipments, using integrated sales and fulfillment data, cross-docking and implementing 3PL to control distribution costs.



Fill Rate

Fill rate represents the percentage of your orders that are shipped in full and on time as a percentage of all your orders. This metric is essential to providing outstanding service to retailers and clients and maintaining positive customer satisfaction. You should always aim to have a 100% fill rate; but, this can be a difficult balance for food and beverage enterprises. Buying too much inventory ensures that you maintain a high fill rate, but leads to costly inventory loss, while too little inventory on hand leads to poor fill rates.



Inventory Turnover


For food and beverage manufacturers and distributors, getting inventory turnover just right is imperative to profitability. The manufacturing of perishable items requires a more frequent turnover with the goal of producing the least amount of waste. Typically buying less product more frequently in the food and beverage space allows for better inventory turnover metrics and less waste.



Key Overall Business Metrics

	Foundational	Competitive	Best in Class	Transformative
E-Commerce Growth	<10%	15%	20%	>30%
This metric indicates the rate at which your company's e-commerce revenue is growing.				
Revenue Growth	<0%	5.5%	9.7%	13.8%
This KPI indicates the rate at which your company's total revenue is growing.				
Days Sales Outstanding	65.4 Days	42.6 Days	32.6 Days	22.6 Days
How many days, on average, it takes your customers to pay invoices. Also called DSO or Days Receivable, it is a financial ratio that illustrates how your receivables are being managed.				
Inventory Turns	<3 Turns	6 Turns	10 Turns	>18 Turns
Ratio showing how many times your company's inventory is sold and replaced over a period of time. A low turnover ratio signifies weak sales and excess inventory. A high ratio suggests either strong sales or large discounts.				
Fill Rate	<94%	95%	96.2%	97.8%
Percentage of customer or consumption orders satisfied from stock at hand. A higher fill rate indicates a better ability to meet sales requests, influencing higher customer satisfaction.				
Distribution Cost as % of Revenue	<4%	4%	3.5%	<3%
Dollar amount spent on distribution costs as a percentage of total revenue. The lower this number, the more efficient the distribution process.				
Customer Service Responsiveness	>1 Day	>8 Hours	<6 Hours	Real-Time
This metric indicates the average time it takes to respond to customer issues. A lower response time drives more efficiency, freeing labor time for more valuable tasks or reducing the need to hire additional staff.				
Time to Close the Books	>10 Days	5 Days	2 Days	Hours
How many days it takes your finance team to produce a Profit and Loss Statement, Balance Sheet and other analyses so that managers can understand how the business performed for that period (typically monthly).				
Total IT Costs as % of Revenue	>1.8%	1.8%	1.3%	0.8%
Dollars spent on IT infrastructure and IT teams as compared to total revenue. The lower this percentage, the higher the efficiency.				
Finished Product Rejection	<8%	<6%	<5%	<2%
Number of products rejected for customer shipment and needing replacement for order fulfillment				

Source: *finlistics*

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