

# Inventory Turnover (Raw Materials Only)

*Benchmarks, Definition & Measurement Details*

**SAMPLE  
CONTENT & DATA**



# Inventory Turnover (Raw Materials Only)

## Definition & Measurement Details



### What is Inventory Turnover (Raw Materials Only)?

An indication of how many times a company's inventory of raw materials is used and/or sold and replaced over a set period of time. Can be calculated by dividing the cost of goods sold (COGS) by the average dollar value of raw materials on hand during a defined selling period (monthly, quarterly, annually).

### Why should this KPI be measured?

Inventory Turnover (Raw Materials Only) measures the rate at which a company's inventory of raw materials is used and/or sold and replaced (i.e., "turned") over a given period of time. A relatively high value for

### How is this KPI calculated?

Two variables are used to calculate this KPI: (1) the total Cost of Goods Sold for the period being examined, and (2) the average dollar amount of raw materials on hand during that time. The total Cost of

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# Inventory Turnover (Raw Materials Only)

Benchmarks & Characteristics of High Performers



## Inventory Turnover (Raw Materials Only)

$\text{Total Cost of Goods Sold} / ((\text{Inventory Value of Raw Materials at Start of Measurement Period} + \text{Inventory Value of Raw Materials at End of Measurement Period}) / 2)$



### Characteristics of High Performers

- KPIs are well-defined, tracked and tied to performance reviews
- Robust self-service options for customer

Sample Size: XX

KPI Type: XX

Unit: XX

Is High or Low Best?: XX

**How to read this chart:** This chart summarizes the performance gaps between high (Top 5%), mid (Median) and low (Bottom 5%) performers for this Key Performance Indicator (KPI). For example, the column labeled "Top 5%" represents a company that outperformed 95% of the peer group observed for this metric.

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