

# Inventory Turnover

*Benchmarks, Definition & Measurement Details*

**SAMPLE  
CONTENT & DATA**



# Inventory Turnover

## Definition & Measurement Details



### What is Inventory Turnover?

The number of times a company's inventory is 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 inventory on hand during a defined selling period (monthly, quarterly, annually).

### Why should this KPI be measured?

Inventory Turnover is a vital KPI in Supply Chain Management that measures the rate at which a company's inventory is sold and replaced (or "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 inventory on hand during the period. The formula is:

**ABRIDGED CONTENT**  
Purchase to View Full Definition & Measurement Details!

# Inventory Turnover

## Benchmarks & Characteristics of High Performers



### Inventory Turnover

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



#### 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.

# Benchmarking Report Terms & Conditions

*OpsDog KPI Reports*



© 2017 OpsDog, Inc.

The OpsDog KPI Reports and their contents are protected by copyright laws, contain the trademark OpsDog, Inc., and are OpsDog's proprietary information. No part of this book shall be reproduced, stored in a retrieval system, or transmitted by any means, electronic, mechanical, photocopying, recording or otherwise, without written permission from OpsDog, Inc.

OpsDog, Inc. assumes no liability with respect to the use of the information contained herein which is provided "as is" and there are no warranties of any kind provided by OpsDog with respect to this report. OpsDog assumes no responsibility for errors or omissions and will not be liable for any damages resulting from the use of the information contained herein.

## **OpsDog, Inc.**

1502 Augusta Dr., Suite 200

Houston, TX 77057

Tel: 844-650-2888