

MEASURING ORDER MANAGEMENT PERFORMANCE





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APQC PROJECT TEAM

SENIOR PRINCIPAL RESEARCH LEAD

Marisa Brown

RESEARCH MANAGER

Maria Ng

WRITER

Nathanael Vlachos

GRAPHICS

Dillon Martin

RESEARCH SPONSOR

ESKER[®]

APQC
123 North Post Oak Lane
Third Floor Houston, TX 77024
www.apqc.org

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MEASURING ORDER MANAGEMENT PERFORMANCE

Order management is where supply chain execution becomes visible to the customer. It is the point at which plans are translated into outcomes and where organizations either deliver on their commitments or fall short.

Even well-designed supply chains can break down at this stage. Errors in order capture, delays in processing, inventory mismatches, and gaps in coordination across systems and teams can disrupt fulfillment and create additional effort for both the organization and its customers. As a result, performance in order management often varies widely, even among organizations with similar scale and resources.

To meet customer expectations in this environment, organizations need a consistent and comprehensive way to measure performance across the order lifecycle. Isolated metrics provide only a partial view. A broader set of measures is required to understand how effectively orders are captured, processed, fulfilled, and delivered—and where breakdowns occur.

To better understand how organizations measure and improve order management performance, APQC partnered with Esker to examine the key performance indicators used across the order lifecycle. Drawing on survey data from 200 large organizations, this research identifies eight commonly used measures and provides benchmark data to help organizations evaluate their performance.

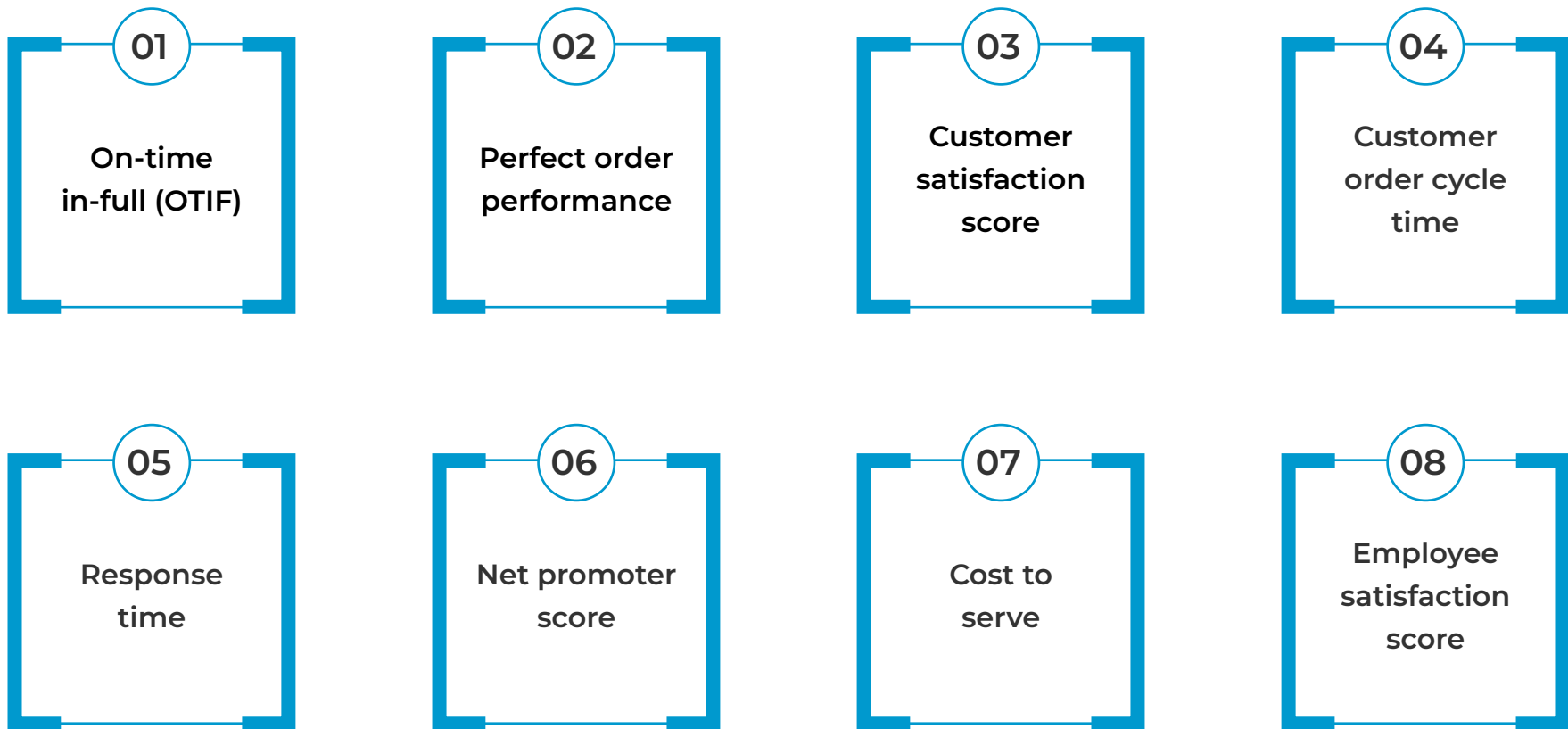
Taken together, these measures provide a structured view of order management performance and help organizations focus improvement efforts where they will have the greatest impact on both operational outcomes and the customer experience.

THE SECTIONS THAT FOLLOW HIGHLIGHT

- Key measures used to evaluate order management performance
- Cross-industry performance data for each measure
- Insights into why these measures matter from both a company and customer perspective
- Practical considerations to help organizations interpret results and identify improvement opportunities

BENCHMARK YOUR PERFORMANCE USING THESE MEASURES

The top KPIs for order management include the following measures (Figure 1).



N=200 | Figure 1

Source: APQC

TOP 8 MEASURES: PERFORMANCE AND IMPORTANCE

No single measure provides a complete view of order management performance. Each of the eight measures in Figure 1 capture specific dimensions of performance, from reliability and accuracy to speed, cost, and the customer experience. Taken together, these measures help organizations better understand how orders are managed in practice and where improvement efforts should be focused.

These measures are also interdependent. For example:

- ▶ **Improvements in order cycle time often depend on reducing manual work in order intake, which also improves response time to acknowledge orders**
- ▶ **Higher perfect order performance reduces rework and exceptions, lowering cost to serve**
- ▶ **Strong employee satisfaction is often associated with lower error rates and more consistent execution**

Organizations that treat these measures independently may miss opportunities to improve performance across multiple dimensions simultaneously.

MEASURE 1

On-Time In-Full (OTIF)

On-Time In-Full (OTIF) is one of the most widely used measures for order fulfillment. It reflects an organization's ability to consistently meet customer commitments across the entire order lifecycle.

OTIF measures the percentage of customer orders that are delivered:

- » **On time**, according to the promised delivery date
- » **In full**, with the correct items and quantities

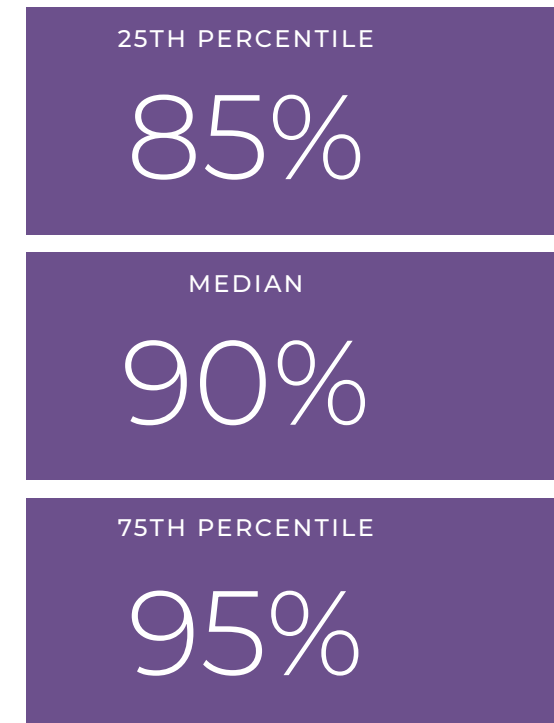
OTIF performance varies widely across organizations (Figure 2). While many report relatively strong performance, any shortfall can have immediate impact on customer experience and operational efficiency.

While OTIF breakdowns appear across the order lifecycle, they tend to concentrate in a small number of failure points. The most significant drivers are:

- » Inaccurate or delayed order and inventory data
- » Manual intervention during order capture and fulfillment
- » Lack of synchronization across systems managing orders, inventory, and delivery

Organizations with strong OTIF performance distinguish themselves by reducing the frequency of manual intervention and ensuring that order and inventory data remain consistent across systems.

Percentage of Orders Delivered Complete and On Time (On-Time In-Full)



N=200 | Figure 2

Source: APQC

WHY THIS KPI IS IMPORTANT TO YOUR

[COMPANY]

OTIF shows how consistently an organization delivers on its commitments. It highlights breakdowns across planning, inventory, fulfillment, and delivery processes, and helps organizations track performance trends and address recurring issues. Because it directly connects operational execution to customer outcomes, OTIF is often used to prioritize improvement efforts and hold teams accountable for service performance. Persistent gaps in OTIF performance often point to deeper issues in data accuracy, process consistency, or cross-functional coordination.

[CUSTOMER]

Customers evaluate suppliers based on their reliability over time, making OTIF a key driver of satisfaction, loyalty, and long-term relationships. Consistent performance builds trust and reinforces confidence in the supplier, while even small deviations, such as late deliveries or partial shipments, can disrupt operations and quickly erode that trust.

MEASURE 2

Perfect Order Performance

Perfect order performance measures the percentage of customer orders that are delivered on time, in full, damage-free, and with accurate documentation and invoicing. It builds on OTIF by incorporating additional dimensions of accuracy and quality. While OTIF reflects delivery performance, perfect order performance reflects execution quality across the entire order lifecycle, including upstream and downstream processes.

Customers expect orders to be correct in every detail. Even when an order is delivered on time and in full, issues such as damaged goods or incorrect documentation can prevent it from being considered “perfect.”

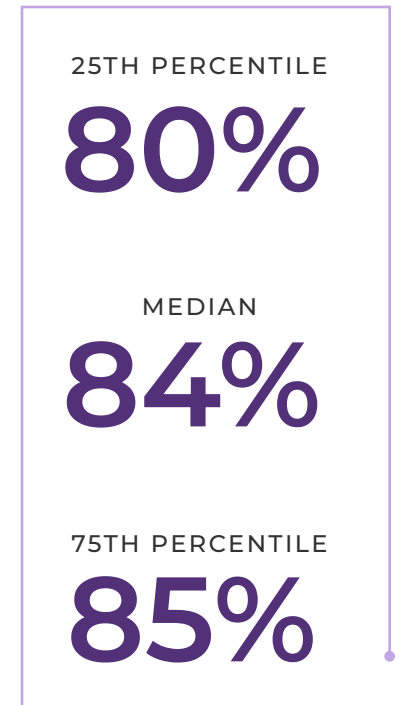
Performance on this measure varies across organizations (Figure 3), reflecting differences in how consistently they execute across multiple dimensions of the order lifecycle. These gaps are most often driven by:

- » Data quality issues
- » Manual order entry and processing
- » Documentation and invoicing errors
- » Coordination gaps across functions

Because this measure spans multiple dimensions, even small errors accumulate to reduce overall performance. As a result, perfect order scores are typically lower than OTIF, making this a more stringent and revealing indicator of execution quality.

Organizations that perform well on this measure reduce errors at the source by standardizing and automating processes, strengthening data accuracy, and improving coordination across the order lifecycle.

Perfect Order Performance



N=200 | Figure 3

Source: APQC

WHY THIS KPI IS IMPORTANT TO YOUR

[COMPANY]

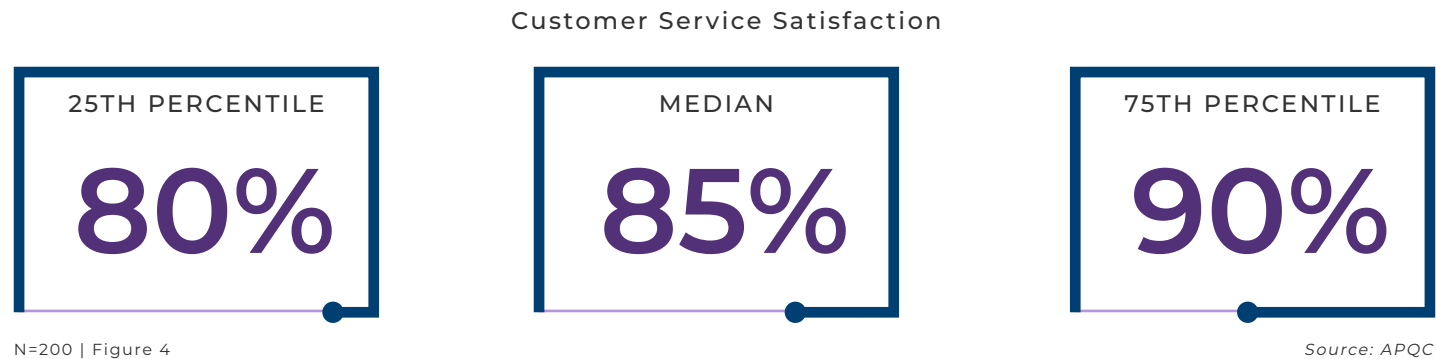
Perfect order performance provides a comprehensive view of execution quality across the order lifecycle. By capturing multiple dimensions in a single measure, it reveals issues that may not be visible through individual metrics and highlights sources of rework, inefficiency, and process breakdowns. Organizations use this measure to diagnose systemic issues across order entry, fulfillment, and billing, prioritize improvement efforts, and reduce costly errors. Persistent gaps in perfect order performance often point to deeper issues in data accuracy, process consistency, or cross-functional coordination.

[CUSTOMER]

Perfect order performance reflects the overall quality and reliability of the customer experience. Customers expect not only timely delivery, but accuracy in every aspect of the order. When those expectations are not met, it creates additional effort for the customer to resolve issues, manage delays, or adjust their own operations. Over time, these experiences shape how customers evaluate suppliers, making perfect order performance a key driver of customer satisfaction, confidence, and long-term loyalty.

MEASURE 3

Customer Satisfaction Score



Customer satisfaction reflects how well an organization meets customer expectations and serves as a key indicator of experience quality and relationship strength. In the context of order management, it captures how customers evaluate both the outcome of the order and the ease of the process used to fulfill it. Unlike net promoter score, which reflects overall loyalty and willingness to recommend, customer satisfaction focuses on how specific interactions and transactions are experienced.

Organizations measure customer satisfaction through a combination of transactional surveys following order fulfillment or service interactions, periodic relationship surveys, and analysis of customer feedback across channels such as email, web activity, or digital touchpoints. Together, these approaches capture both immediate reactions and broader perceptions over time.

Customer satisfaction scores vary across organizations depending on how satisfaction is defined, measured, and tracked (Figure 4). Differences in survey design, timing, and response rates can influence results, making it important to interpret scores within the context of an organization's measurement approach. While this can limit direct comparisons, tracking trends over time provides valuable insight into how changes in processes and service delivery affect the customer experience.

WHY THIS KPI IS IMPORTANT TO YOUR

[COMPANY]

Customer satisfaction scores provide direct feedback on how well order management processes perform from the customer's perspective. This KPI helps identify gaps in execution, communication, and responsiveness that may not be visible through operational metrics alone. Organizations use this measure to prioritize improvement efforts, align operations with customer expectations, and evaluate the impact of changes to service delivery. Declines in satisfaction often signal underlying issues in order accuracy, timeliness, or issue resolution that require attention.

[CUSTOMER]

Satisfaction measures reflect how well the organization meets expectations across the full order experience, from placing an order to receiving it and resolving any issues. It captures not only whether the order was fulfilled successfully, but also how easy and effective the interaction was. Clear communication, timely responses, and consistent execution contribute to higher satisfaction, while delays, errors, or difficult interactions can quickly erode confidence and trust.

MEASURE 4

Customer Order Cycle Time

Customer Order Cycle Time in Days



N=200 | Figure 5

Source: APQC

Customer order cycle time measures the time it takes (in calendar days) to fulfill a customer order, from the moment it is placed to when it is delivered. It reflects how efficiently orders move through the fulfillment process and how quickly an organization can respond to customer demand. It is strongly influenced by differences across industries and in the products and services being delivered.

Because this measure spans the entire order lifecycle, it highlights how effectively different parts of the process work together from order intake through fulfillment and delivery. Cycle time is often influenced by coordination across functions, the degree of process variation, and the level of manual work required to process and fulfill orders. Delays in any part of the process can accumulate, extending overall cycle time. In many organizations, a significant portion of total cycle time is driven by delays between steps rather than the work itself.

Top performing organizations can fulfill an order in ten days or fewer, while the slowest performers take more than twice as long (Figure 5). Organizations that improve cycle time typically focus on standardizing processes, reducing manual intervention, and enabling smoother handoffs across systems and teams.

WHY THIS KPI IS IMPORTANT TO YOUR

[COMPANY]

Customer order cycle time provides a clear indicator of process efficiency across the order lifecycle. It helps identify bottlenecks, delays, and coordination gaps that affect overall performance. Organizations use this measure to prioritize process improvements, optimize resource allocation, and increase throughput. Longer or highly variable cycle times often signal inefficiencies such as manual work, rework, or poor coordination across functions.

[CUSTOMER]

This measure reflects how quickly and reliably customer orders are fulfilled. Faster and more predictable delivery timelines contribute to a smoother customer experience, while delays can create uncertainty and frustration. Cycle time also shapes expectations around responsiveness and service, particularly in environments where speed and reliability are critical. Consistent performance helps build confidence, while variability in delivery timing can erode satisfaction and trust.

MEASURE 5

Response Time to Acknowledge an Order

Average Customer Service Acknowledgment Response Time in Business Hours



Response time to acknowledge an order measures how long it takes (in business hours) for an organization to confirm that an order has been received and is being processed. As the first direct response after order placement, acknowledgment sets expectations for the rest of the order lifecycle.

Faster response times indicate that orders are being captured and processed efficiently, while delays can signal gaps in intake processes or limited visibility into incoming demand. Inconsistent or delayed acknowledgment can create uncertainty about order status and increase customers' need for follow-up. In many organizations, delays in acknowledgment are driven less by volume and more by how orders are captured and routed.

Performance on this measure varies based on the level of automation, order volume, and the efficiency of intake processes. Top performers acknowledge orders in 45 minutes or less, while bottom performers take nearly twice as long (Figure 6).

Organizations that perform well typically rely on automated order capture, standardized intake workflows, and real-time confirmation processes that minimize delays between order receipt and acknowledgment. In contrast, organizations that depend on manual review or fragmented intake channels often experience slower and more variable response times, particularly during high-volume periods.

WHY THIS KPI IS IMPORTANT TO YOUR

[COMPANY]

Response time to acknowledge an order provides a direct indicator of how efficiently incoming demand is captured and routed for processing. It helps identify delays in order intake, improve visibility into order status, and ensure that requests are processed consistently and on time. Longer response times often point to manual processes, fragmented systems, or capacity constraints that can affect downstream performance.

[CUSTOMER]

Order acknowledgment is a critical early touchpoint in the customer experience. Prompt confirmation reassures customers that their order has been received and sets clear expectations for fulfillment. Delays can create confusion, trigger additional follow-up, and reduce confidence that the order will be handled efficiently.

MEASURE 6

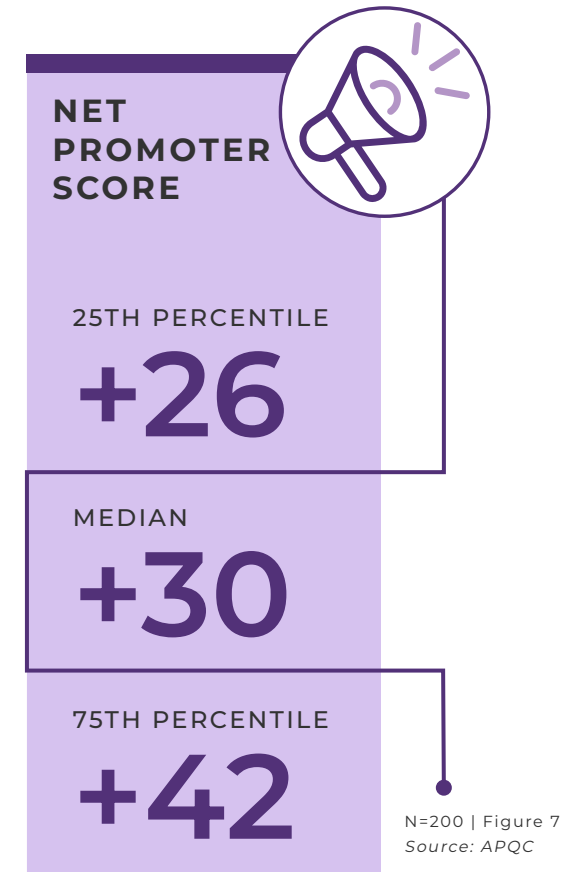
Net Promoter Score

Net Promoter Score (NPS) measures customer loyalty by asking how likely customers are to recommend an organization's products or services, typically on a scale from zero to 10. Based on their responses, customers are grouped into three categories:

- » **Promoters** (scores of 9-10): Loyal and enthusiastic customers
- » **Passives** (7-8): Satisfied but unenthusiastic
- » **Detractors** (0-6): Unlikely to buy again and may discourage others

NPS is calculated by subtracting the percentage of detractors from the percentage of promoters, resulting in a score ranging from -100 (all detractors) to 100 (all promoters). Organizations have a median NPS of 30, while top performers have scores of 42 or higher (Figure 7).

NPS reflects customers' overall perception of the organization and their willingness to maintain and advocate for the relationship. Unlike customer satisfaction, which focuses on specific interactions or transactions, NPS provides a broader view of loyalty across the customer base. As a result, organizations often pair NPS with operational and experience-based measures to track trends over time and assess the impact of changes to service delivery. Because it is influenced by a wide range of experiences, NPS should be interpreted in conjunction with these metrics to identify the underlying drivers of customer sentiment.



WHY THIS KPI IS IMPORTANT TO YOUR

[COMPANY]

NPS provides a high-level indicator of customer loyalty and long-term relationship health. Because it produces a single, widely recognized metric, it enables consistent communication of customer sentiment across teams and leadership. Organizations use NPS to monitor trends, assess the impact of changes to processes or service delivery, and identify potential risks to retention and growth. Declines in NPS often signal broader issues in customer experience that may not be immediately visible in operational metrics.

[CUSTOMER]

NPS reflects how customers perceive the organization overall, rather than any single interaction. Higher scores indicate stronger confidence and a greater likelihood of continued engagement and advocacy, while lower scores can signal dissatisfaction or hesitation to recommend the organization. These perceptions influence whether customers choose to maintain, expand, or reconsider their relationship over time.

MEASURE 7

Cost to Serve

Cost to serve represents the total cost to fulfill and deliver customer orders after the sale is made. It includes order processing, fulfillment, transportation, customer service, and returns handling, comprehensively capturing the resources required to execute the order lifecycle. It excludes costs not directly tied to fulfillment, such as cost of goods sold, sales and marketing, product development, and general administrative expenses. Cost to serve is typically expressed as a total value or as a ratio relative to revenue.

Performance on this measure varies widely across organizations. Organizations in the 25th percentile spend less than \$40 per \$1,000 revenue to serve customers, while those in the 75th percentile spend more than twice that amount to carry out the same set of processes and activities (Figure 8). In many organizations, a disproportionate share of cost to serve is driven by a relatively small number of complex or exception-heavy orders, which are often concentrated within specific customers or order profiles.

Differences in cost to serve are driven less by scale and more by how consistently and efficiently orders move through the process. Even organizations with similar revenue profiles can have very different cost structures depending on order complexity, the frequency of exceptions, and the level of manual intervention required. Higher costs are often associated with rework, delays, and fragmented processes that increase effort across the order lifecycle.



N=200 | Figure 8

Source: APQC

WHY THIS KPI IS IMPORTANT TO YOUR

[COMPANY]

Cost to serve provides visibility into where resources are being consumed across the order lifecycle and where inefficiencies drive unnecessary cost. Organizations use this measure to evaluate trade-offs between service levels and cost, quantify the impact of exceptions and rework, and prioritize investments in automation or process standardization. It also supports customer segmentation by identifying which customers, channels, or order types are more costly to serve. Persistent cost gaps often point to underlying issues such as manual processes, process variation, or poor coordination across functions.

[CUSTOMER]

While customers do not directly see cost to serve, it influences the consistency and reliability of the service experience they receive. Streamlined processes enable organizations to deliver predictable service at a sustainable cost, while higher costs are often linked to delays, errors, or inconsistent execution. Managing cost to serve effectively helps organizations maintain service levels while minimizing disruption and variability in the customer experience.

MEASURE 8

Employee Satisfaction Score

Employee satisfaction reflects how employees perceive their work environment, the support they receive, and their overall experience within the organization. In order management, it indicates how well employees are equipped to process orders, manage exceptions, and work across systems and teams to meet customer expectations.

Environments with standardized processes, clear workflows, and adequate system support tend to enable more efficient and consistent execution. In contrast, high volumes of manual work, frequent exceptions, and unclear processes can increase workload and complexity, leading to frustration and reduced effectiveness.

Organizations measure employee satisfaction using a range of approaches, including employee net promoter score (eNPS), annual engagement surveys, and pulse surveys. These methods provide insight into employee sentiment and how it changes over time.

Organizations in the 75th percentile report employee satisfaction scores of 85% or higher, while those in the 25th percentile have scores of 70% or lower (Figure 9). Lower satisfaction is often associated with environments that require significant manual effort, lack process clarity, or rely heavily on exception handling.

EMPLOYEE SATISFACTION SCORE

25TH PERCENTILE

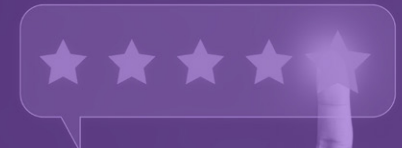
70%

MEDIAN

80%

75TH PERCENTILE

85%



N=200 | Figure 9
Source: APQC

WHY THIS KPI IS IMPORTANT TO YOUR

[COMPANY]

Employee satisfaction provides insight into how effectively the organization supports the workforce responsible for executing order management processes. It helps identify risks related to burnout, disengagement, or turnover, particularly in environments with high workloads or complex processes. Organizations use this measure to assess the impact of changes to processes or support structures and ensure employees remain equipped and motivated to perform their roles effectively. Persistent dissatisfaction often signals underlying issues such as inefficient workflows, inadequate tools, or excessive reliance on manual intervention.

[CUSTOMER]

Employee satisfaction influences the quality and consistency of service customers receive. Employees who are well-supported and able to work efficiently are more likely to process orders accurately, respond effectively and empathetically to customer issues, and maintain consistent performance. Environments with high workloads, poor training, or process inefficiencies can lead to delays, errors, and inconsistent performance that negatively affect the customer experience.

KEY TAKEAWAYS

Order management performance is shaped by how effectively organizations execute across the full customer order lifecycle. No single measure provides a complete view. Together, these eight KPIs highlight where performance is consistent, where it breaks down, and where improvement efforts will have the greatest impact.

PUTTING IT INTO PRACTICE

- [▶] **Use a balanced set of measures aligned to your strategy and goals.** Measures such as OTIF, perfect order performance, and order cycle time provide visibility into execution, while customer and employee satisfaction measures reflect how that performance is experienced. Tracking these measures together provides a more complete view of both operational and customer outcomes.
- [▶] **Focus on underlying drivers of performance.** Across these measures, performance gaps are most often driven by data quality issues, manual processes, exception handling, and poor coordination across systems and teams. Addressing these root causes can improve performance across multiple KPIs simultaneously.
- [▶] **Use performance data to target improvement efforts.** Organizations that consistently track and analyze these measures are better positioned to identify bottlenecks, prioritize investments, and improve process efficiency. In many cases, reducing manual work and increasing process standardization leads to more consistent performance across the order lifecycle.

Organizations that take a structured, data-driven approach to measuring and improving order management performance are better positioned to deliver consistent outcomes, reduce costs, and meet rising customer expectations.

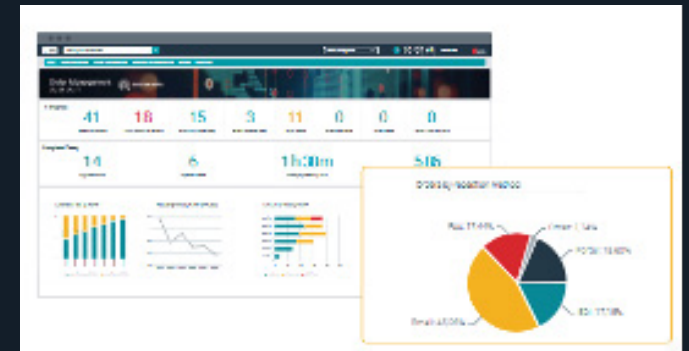
Delivering a strong customer experience (CX) has never been more important, yet one of the key processes directly tied to CX performance — order management — often lacks the visibility needed to do so effectively. With orders being spread across inboxes, portals and multiple formats, today's B2B Customer Service teams struggle with status tracking, exception management and consistently improving performance.

This lack of visibility is more than just an operational concern — with strategic factors like cost-to-serve, cashflow and overall financial performance being directly impacted. It's why more organizations are investing in AI automation tools that not only streamline the error-prone, time-wasting tasks associated with order management, but also empower employees with business-relevant KPIs and analytics.

A 360° VIEW OVER ORDER MANAGEMENT

Automated order management solutions house all order-related data and customer communications within one AI-powered platform. This single “pane of glass” to monitor the complete order lifecycle not only ensures efficiency and transparency within your current process but opens the door for continuous improvement opportunities. Your B2B Customer Service team and leadership are never more than a click away from accessing:

- Dashboards featuring real-time metrics, performance trends and items analytics
- Tracked conversations to quickly clarify orders both internally and with customers
- Audit trail of every touch point, ensuring full transparency and accountability
- Data verification and anomaly detection to avoid incorrect shipments
- Live connection via web services to deliver confirmations and ship notices back from the ERP to customers



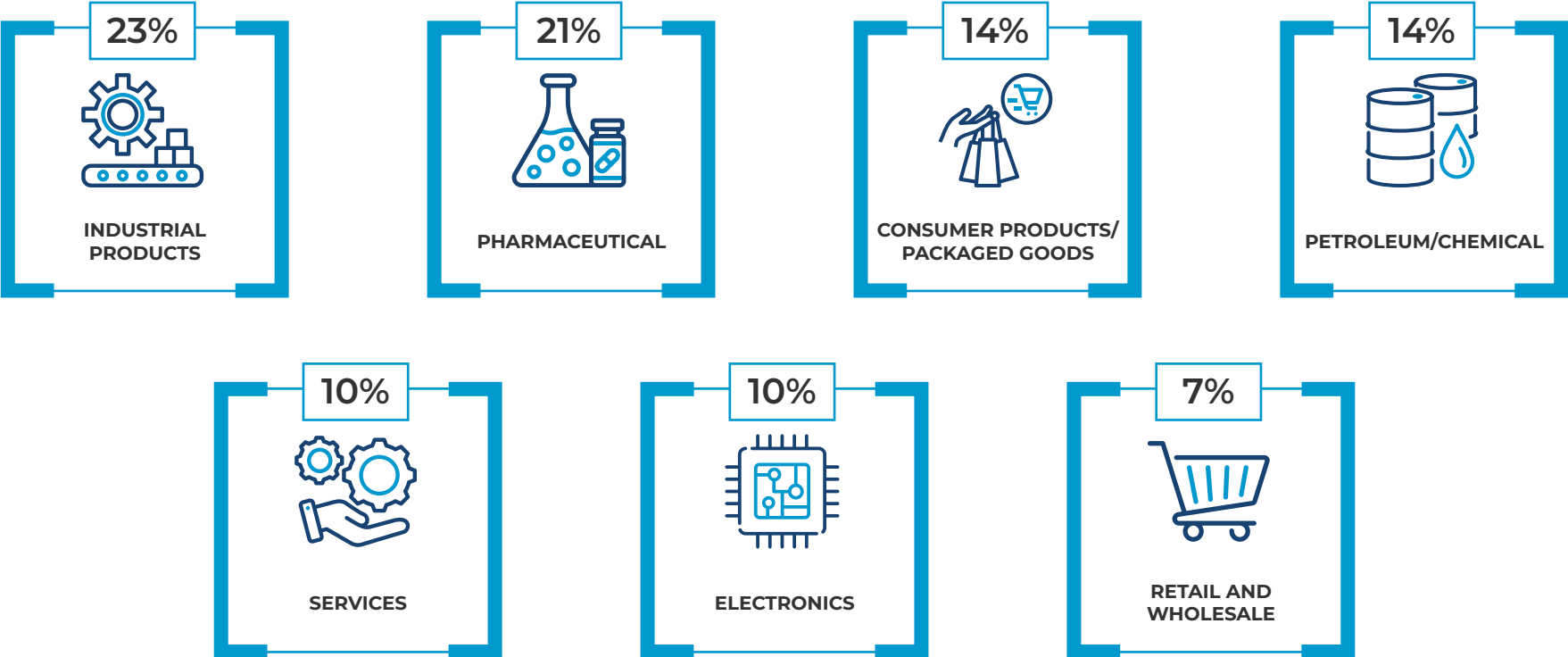
Rather than relying on fragmented systems or standalone tools, organizations benefit most from a unified solution that integrates order management into a broader, AI-driven ecosystem. This control and consistency allows B2B Customer Service teams to move from reactive problem-solving to proactive performance management — improving efficiency, enhancing the CX and driving stronger business results.

“In Esker, we see the exact breakup of work we have in front of us. And from there, we can reposition individuals to create a better balance for our team.”

Chris Raleigh | Business Process Expert (O2C) Americas | FUCHS Lubricants

ABOUT THIS RESEARCH

In 2026, Esker Inc. sponsored this APQC research to take a detailed look at the top KPIs organizations employ to measure order management. The 200 organizations participating in the research were from North America with at least \$100 million in revenue and represented various industries:



ABOUT APQC

APQC helps organizations work smarter, faster, and with greater confidence. It is the world's foremost authority in benchmarking, best practices, process and performance improvement, and knowledge management. APQC's unique structure as a member-based nonprofit makes it a differentiator in the marketplace. APQC partners with more than 500 member organizations worldwide in all industries. With more than 40 years of experience, APQC remains the world's leader in transforming organizations. Visit us at www.apqc.org, and learn how you can make best practices your practices.

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