

Customer Credit and Invoicing Key Benchmarks: Consumer Products/Packaged Goods Industry

Gain insight into the efficiency and effectiveness of your organization’s processes by benchmarking common business activities. The process group “Perform revenue accounting” (PCF ID:10729) includes processes and activities such as process customer credit and Invoice customer (Hierarchy ID: 9.2.1 in [APQC’s Process Classification Framework®](#)).

Prepared using APQC’s [Open Standards Benchmarking®](#) in [Customer Invoicing and Credit](#), the table below highlights key performance indicator (KPI) benchmarks for members of the consumer products/packaged goods industry. Organizations can use this information to benchmark and continuously improve their customer credit and invoicing processes. For more information on these measures and metrics, see the [Summary of Open Standards Benchmarking Measures: Customer Credit and Invoicing](#). APQC members can access these and many more related measures in [APQC’s Benchmarks on Demand Portal](#).

Perform Revenue Accounting

Cost Effectiveness

Metric ID	Measure Name	N	Median Metric Value
103702	Total cost to perform the process "invoice customer" per \$1,000 revenue	354	\$0.35
103709	Total cost to perform the process "invoice customer" per invoice processed	308	\$2.52
103859	Total cost to perform the process "process customer credit" per \$1,000 revenue	348	\$0.27

Cycle Time

Metric ID	Measure Name	N	Median Metric Value
100561	Cycle time in days for credit approval	528	5.0
100164	Cycle time in days to generate complete and correct billing data	765	2.0
100178	Days sales outstanding	1,508	36.0

Process Efficiency

Metric ID	Measure Name	N	Median Metric Value
101035	Number of FTEs that perform the process "invoice customer" per \$1 billion revenue	533	4.9
101114	Number of FTEs that perform the process "process customer credit" per \$1 billion revenue	473	3.4
102134	Percentage of invoice line items invoiced using electronic or automatic methods	108	70.0%
102142	Percentage of invoice line items processed error free the first time	167	92.0%

Staff Productivity

Metric ID	Measure Name	N	Median Metric Value
100902	Number of credit reviews per FTE that performs the process "process customer credit"	33	220.0
101287	Number of invoices processed per FTE that performs the process "invoice customer"	342	26,667

Process Definitions

9.2 Perform revenue accounting

Comparing revenue targets to reality. Review all transactions and entries passed in final accounts in a year in order to examine profits.

9.2.1 Process customer credit

Evaluating and processing requests for advances. Evaluate credit requests by customers requiring loans to buy products/services.

9.2.2 Invoice customer

Preparing detailed reports of customer purchases. Prepare a commercial document between the seller and customer with details about transaction. Detail the quantity purchased, price of products/services, date, parties involved, unique invoice number, and tax information.

Benchmark Definitions

Cost Effectiveness

Cost effectiveness measures are those in which two related variables, one of which is the cost and one of which is the outcome related to the expenditure, are used to determine a particular metric value.

Cycle Time

Cycle time is the total time from the beginning of the process to the end. This includes both the time spent actually performing the process and the time spent waiting to move forward.

Full-Time Equivalent Employees (FTE)

The number of full-time equivalent employees (FTEs) is the average number of full-time equivalent employees employed during the year for a process/activity. It is calculated by prorating the number of employees and the hours spent performing a process/activity. It assumes that a full-time worker represents 40 hours per week. It includes full-time employees, part-time employees, and temporary workers hired during peak demand periods. It includes only the portion of the employee's time that relates to or supports the activities identified for a process.

Process Cost Components

Total cost for a process, process group, or function consists of the following five components: personnel, systems, overhead, other, and external/outsourced. Internal/In-house operating cost consists of the first four components (personnel, systems, overhead, and other).

Process Efficiency

Process efficiency represents how well a process converts its inputs into outputs. A process that converts 100 percent of the inputs into outputs without waste is more efficient than one that converts a similar amount of inputs into fewer outputs.

Staff Productivity

Staff productivity is a measure of the efficiency of individuals performing specific processes. Measures in staff productivity generally relate the transaction volume or outcome of the process with the effort in terms of full-time equivalent employees to perform the process.

Total Annual Revenue

Total annual revenue is the net proceeds generated from the sale of products or services. It reflects the selling price less any allowances such as quantity, discounts, rebates, and returns.

- For a business entity that is a support unit, and therefore does not directly generate revenue, the revenue amount for the units supported is used.
- For government/non-profit organizations, the non-pass-through budget is used.
- For insurance companies the total amount of direct written premiums, excluding net investment income is used.

Business entity revenue needs to only include inter-company business segment revenue when the transactions between those business segments are intended to reflect an arm's length transfer price and would therefore meet the regulatory requirements for external revenue reporting.

About this Content

This content can include median values sourced from APQC's Open Standards Benchmarking database. If you're interested in having access to the 25th and 75th percentiles or additional metrics, including various peer group cuts, they are either available through a benchmark license or the Benchmarks on Demand tool depending on your organization's membership type.

APQC's Resource Library content leverages data from multiple sources. The Open Standards Benchmark repository is updated on a nightly cadence, whereas other data sources have differing schedules. To provide as much transparency as possible, APQC will always attempt to provide context for the data included in our content and leverage the most up-to-date data available at the time of publication.



APQC (American Productivity & Quality Center) is the world's foremost authority in benchmarking, best practices, process and performance improvement, and knowledge management (KM). With more than 1,000 member organizations worldwide, APQC provides the information, data, and insights organizations need to support decision-making and develop internal skills. [Learn more.](#)

US: 1-800-776-9676 INTL: +1-713-681-4020 FAX: 713-681-8578

123 N. Post Oak Ln Houston, TX 77024