The AMR Research Supply Chain Top 25 for 2007

	Company	Peer Opinion[1] (20%)	AMR Research Opinion[1] (20%)	ROA[2] (25%)	Inventory Turns[3] (25%)	Revenue Growth[4] (10%)	Composite Score[5]	Comments
14	Johnson & Johnson	665	273	15.7%	3.1	5.6%	**3.95**	J&J has traditionally relied on superior products that command premium prices to deliver top results. As the world shifts from supply chain to value chain, we may find J&J already there.
15	PepsiCo	412	116	18.8%	8.2	7.9%	**3.81**	PepsiCo's pioneering use of supply chain planning technologies plus its sophisticated product innovation make for excellent financials, including an impressive 18.8% ROA.
16	Johnson Controls	293	342	4.7%	16.1	17.3%	**3.78**	As a direct supplier to Toyota, JCI has learned a lot about demand-driven manufacturing. That it is able to extend this back into engineering shows how deeply the strategy is understood.
17	Texas Instruments	217	89	31.2%	4.9	15.5%	**3.75**	An early user of constrained optimization in supply chain planning, TI continues to advance with strong customer collaboration.
18	Nike	483	134	14.1%	4.0	8.8%	**3.14**	Like Apple, Nike uses brand and design to create value that supersedes cost efficiency in the eyes of both the consumer and shareholder. Rigorous supply chain processes, however, allow the company to weather fashion turns with minimal disruption.
19	Lowe's	455	217	11.2%	4.3	8.5%	**3.11**	Lowe's emphasizes the shopping experience for consumers but manages to keep supplier relations very strong. Demand visibility helps both at retail and upstream in the supply chain.
20	GlaxoSmith Kline	165	90	21.1%	2.1	7.2%	**3.09**	By riding a strong product portfolio, GSK is delivering excellent financials. By investing some of this gain back into packaging and manufacturing processes, it is also positioning itself for the future.
21	Hewlett-Packard	508	210	7.6%	8.9	5.7%	**3.08**	HP has digested Compaq very successfully, managed a high-profile CEO change to great effect, and even taken the lead in greening the global supply chain. Welcome back to the Top 25.
22	Lockheed Martin	63	55	9.0%	21.5	6.5%	**3.07**	With pioneering innovations like performance-based logistics, Lockheed has taken advantage of favorable market conditions with the first truly demand-driven defense industry supply chain.
23	Publix Super Markets	36	42	14.8%	13.7	5.2%	**2.96**	Still a relatively quiet and private company, Publix makes our rankings with excellent financial results. Proactive disaster preparedness strategies hint at the sophistication of its strategic thinking.
24	Paccar	1	21	9.3%	18.9	17.0%	**2.89**	Virtually unknown to the peer opinion panel, Paccar comes in at No. 24 with not only excellent but extremely balanced supply chain performance. Our benchmarking work shows that balance is what really separates the best from the rest. Watch Paccar in the future.
25	AstraZeneca	125	48	20.2%	2.5	10.5%	**2.88**	Like GSK, AstraZeneca benefits from financial results that shine. Less known but more instructive is its early, successful foray into supply network modeling—an effort that has contributed hundreds of millions to the bottom line.

Source: AMR Research, 2007

1. Peer and AMR Research Opinion: Based on each panel's forced-rank ordering against the definition of "DDSN orchestrator"
2. ROA: 2006 net income / 2006 total assets
3. Inventory Turns: 2006 cost of goods sold / 2006 year-end inventory
4. Revenue Growth: Change in revenue from 2006 versus 2005
5. Composite Score: (Peer Opinion*20%) + (AMR Research Opinion*20%) + (ROA*25%) + (Inventory Turns*25%) + (Revenue Growth *10%)
2006 data used where available. Where unavailable, latest available full-year data used. All raw data normalized to a 10-point scale prior to composite calculation.

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