

Requisition Cycle Time: Throughput time from requisition to purchase order

The Requisition Cycle Time describes the period from receipt of a purchase requisition to the release of the purchase order. It is one of the central KPIs in operational purchasing because it directly reflects the responsiveness of procurement to internal customers and production. Short throughput times reduce procurement risks, avoid emergency orders and stabilise material availability. In an industrial context, it is an early indicator of the process quality of the entire purchasing organisation.

Key facts

- The Requisition Cycle Time measures the time from the purchase requisition to the submission of the purchase order.
- Typical benchmarks range from a few hours to several working days, depending on the industry and the depth of approval.
- The main drivers are approval loops, incomplete master data and manual interfaces.
- A high throughput time increases the risk of emergency purchases and costly direct awards.
- E-procurement systems with catalogue-based self-service can often reduce this time dramatically.
- The KPI becomes more meaningful when broken down by material classes and demand types.

Definition: Requisition Cycle Time

The Requisition Cycle Time is the measured throughput time of a procurement transaction from the formal purchase requisition to the legally binding purchase order with the supplier. It thus covers the entire pre-order phase including review, approval and quotation handling.

Distinction from adjacent KPIs

The Requisition Cycle Time must not be confused with the buyer's pure processing time or with the Order Lead Time up to goods delivery. The former considers only the internal lead time, the latter typically begins with the submission of the purchase order. For a complete picture, both figures should be recorded separately and interpreted together, as weaknesses can occur at different points.

Significance for value creation

A long throughput time not only delays procurement itself but also affects production planning and the customer promise. In practice, delays manifest as replacement purchases via direct award, as increased inventory levels for buffering, or as unplanned escalations. The KPI is therefore also an early indicator of hidden process costs.

Methods and approach for measuring and improving

A sensible measurement concept starts with system capture: the starting point is the timestamp of the

purchase requisition, the end point the handover of the order to the supplier. What is crucial is a consistent definition across all locations.

Process analysis and identification of weaknesses

Improvements should start with a current-state analysis: where do waiting times arise – during approval, in the quotation phase or in data preparation? It is frequently found that a large proportion of the time is not spent in active processing but in waiting times between interfaces. A breakdown by demand type, material class and requester reveals systematic differences, for example between catalogue material and customer-specific parts.

Standardisation and self-service

Standard parts with clean master data can largely be handled via e-procurement catalogues without buyer involvement. The prerequisite is a clean master data process that avoids duplicate records, outdated prices and missing assignments. For recurring demands, framework agreements with released catalogues complement self-service and significantly reduce the review effort.

Approval and threshold logic

Approval levels should be based on order value and risk classes rather than reviewing all transactions in multiple stages across the board. Match-and-merge rules and automated contingency checks relieve approvers and accelerate standard transactions. Delegations for holiday and absence periods prevent transactions from stalling with a single individual.

Important KPIs around the Requisition Cycle Time

The KPI only unfolds its effect in combination with further metrics. It should be evaluated regularly and steered against defined target values.

Core metrics and typical benchmarks

In practice, the Requisition Cycle Time for catalogue orders is often in the range of a few hours to one working day, and for free-form and special procurements more likely between three and ten working days. What matters is less the absolute value than the development over time and the spread. A median rather than a pure average prevents a few outliers from distorting the picture.

Complementary KPIs

Useful additions are the share of catalogue-capable line items, the share of emergency orders, the warehouse complaint rate and the rate of subsequent order changes. The hit rate of the reorder point or of min-max control also shows whether demands are reported early enough or only arise acutely. Those who integrate capacity planning and material replenishment additionally recognise whether delays are plannable or reactive in cause.

Risks and controls in the procurement process

High throughput times are rarely an isolated problem, but rather a symptom of deeper weaknesses in governance, data quality and role clarity.

Typical causes and consequential risks

Unclear roles in purchasing (RACI) lead to duplicate reviews or standstill in coordination queries.

Missing quotation review standards extend the comparison phase, and incomplete requests generate queries. The consequences are frequently escalations, verbal advance commitments to suppliers and later painful rework, up to and including disputes over acceptance obligations or delivery terms.

Controls and compliance

Acceleration must not come at the expense of controls: four-eyes principles, threshold values and documented approvals remain binding even with short cycle times. Particularly for free-form awards and for procurements from the existing supplier portfolio, traceability and documentation are important in order to withstand audit reviews. For internationally sourced goods, export handling and customs issues must also be clarified at an early stage so that the accelerated order does not fail at the point of export.

Coordination with planning and production

The purchase requisition should ideally be derived from the Master Production Schedule (MPS) or from replenishment planning rather than arising ad hoc. If the coordination between planning and purchasing is stable, the number of urgent individual requests falls, and the remaining transactions can be processed with realistic priorities. Expediting measures then remain the exception.

Current developments and digitalisation

Digitalisation is changing the metric in substance: automation moves standard transactions into self-service processes, while complex procurements are managed more professionally.

Automation and intelligent systems

Modern e-procurement and ERP environments support automatic match-and-merge rules, catalogue-driven orders and workflow-based approvals. AI-supported enquiries also shorten the market enquiry and quotation review phase by structuring specifications and preparing comparative offers. As a result, the Requisition Cycle Time is reduced not through pressure but through the elimination of manual effort.

Supplier network and data transparency

Connected supplier networks reduce friction at the supplier interface: order confirmations, delivery dates and changes run digitally and in real time. This also makes the phase after the order more measurable and relieves expediting. For strategically relevant A-suppliers, this is complemented by jointly agreed response times and robust supplier strategies that allow urgent enquiries through more quickly.

Sustainability and extended assessment criteria

Procurement decisions are increasingly supplemented by sustainability aspects, such as Scope 2 emissions for energy-intensive supplied parts or certificates such as the long-term supplier declaration (LLE). These additional review criteria can increase throughput time if they are only queried late in the process. In practice, it has proven effective to store sustainability and compliance data already in the master data process and in supplier selection.

Typical metrics

Requisition Cycle Time (catalogue material): < 1 working day

Typical benchmark for catalogue-based standard orders

Requisition Cycle Time (special procurement): 3–10 working days

Depending on approval depth and quotation phase

Share of catalogue-capable line items: > 70%

A common target level in practice to relieve the purchasing function

Emergency order rate: < 5%

High values indicate long throughput times or weak replenishment planning

Practical example

A medium-sized mechanical engineering company with around 300 employees had an average Requisition Cycle Time of around eight working days; production managers complained about missing spare parts, while purchasing suffered from emergency orders and unreviewed direct awards. An analysis showed that almost two thirds of the time was spent in waiting times during two-stage approvals and in queries about incomplete requests.

- Introduction of a catalogue-based e-procurement process for standard material after cleansing the master data process
- Reduction of approval levels to a threshold catalogue with delegation rules and clear roles in purchasing (RACI)
- Linking recurring demands to reorder point and min-max control for early demand reporting
- Monthly KPI review with a breakdown by material classes and demand types

Conclusion

The Requisition Cycle Time is more than a performance metric of purchasing: it reveals how well requisition, approval, quotation handling and ordering are interlinked. Those who measure it systematically, break it down by material classes and demand types, and address weaknesses at the interfaces reduce emergency orders, procurement costs and frustration among internal customers. Clean master data, clear approval logic and close coordination with planning and production are crucial. Digital tools and connected supplier networks support this development but do not replace a sound process architecture. Companies that actively manage the KPI gain faster-reacting procurement processes and greater reliability for the entire value chain.

Frequently asked questions

What does Requisition Cycle Time mean?

The Requisition Cycle Time is the period from receipt of a purchase requisition to the release of the purchase order. It includes review, approval and, where applicable, quotation handling. It therefore measures the internal lead time of procurement, not the supplier's delivery time.

How long does a typical procurement process take in purchasing?

Typically, catalogue-based standard orders take a few hours up to one working day. More complex procurements involving quotation comparison and multi-stage approval frequently take three to ten working days. The actual figures depend heavily on the industry, the approval structure and data quality.

How can the Requisition Cycle Time be reduced?

Key factors are standardised and complete master data, catalogue-based self-service in e-procurement

and an approval logic based on value thresholds. Clear roles in purchasing (RACI) and delegation rules prevent standstill. In addition, automated match-and-merge rules and structured quotation reviews relieve the processors.

Which KPIs complement the Requisition Cycle Time?

Relevant metrics include, among others, the share of catalogue-capable line items, the emergency order rate, the spread of throughput times and adherence to deadlines after order handover.

Replenishment indicators such as the reorder point also show whether demands are reported early enough. Together, they provide a robust picture of process quality.

How does Requisition Cycle Time differ from Order Lead Time?

The Requisition Cycle Time ends with the submission of the purchase order and considers only the internal lead time. The Order Lead Time typically begins with the purchase order and measures the time until goods are delivered to the receiving dock. Only both metrics together yield the complete procurement throughput time.

What role do approvals play in long throughput times?

In practice, approval loops are frequently the biggest time waster, especially when approvals are organised by person rather than by value. Thresholds, multi-stage reviews only for risk or special cases, and delegation during absences significantly shorten cycle times. It is important that the intensity of control is proportionate to the order value.