THE METRICS THAT MATTER

What Shippers & Carriers Really Think About Supply Chain KPIs

COYOTE LOGISTICS

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KEY PERFORMANCE INDICATORS

Also known as KPIs.

These performance measurements can help you evaluate the success of your supply chain, identify potential problems, drive strategic decisions and maintain better relationships with your freight providers.

This original research study will give you insights from hundreds of your peers to help you better manage your own supply chain KPIs.

WHAT YOU'LL LEARN IN THIS STUDY:

- What KPIs matter the most to shippers and carriers

- The technology and processes your peers are using to manage KPIs

- Data-backed industry benchmarks for the top KPIs

- How to use data to form strategic relationships with your freight providers

Measuring Up to Rising Standards

For logistics professionals, it is the best of times, it is the worst of times.

Never before has there been a greater focus on the importance of freight shipping.
Never before has freight shipping been more volatile.

For better and for worse, "supply chain" has become a topic of constant conversation at both kitchen and boardroom tables.

In this uncertain environment, businesses must make do with the resources they have, and their supply chain data can be one of the most valuable tools at their disposal. The ability to implement a data-driven shipping strategy can be the difference between a resilient supply chain and losing customers.

Most businesses are collecting this data by setting and tracking key performance indicators, or KPIs. According to this study, **83% of shippers agree KPIs are an essential part of sound supply chain management.**

But how do you know if you're doing KPIs right? Are your metrics out of sync with the reality of the market?

It's time to benchmark the benchmarks. To measure the measurements. To standardize the standards.

We want to give you a quantitative analysis of how businesses like yours are setting and managing their supply chain KPIs.

In a historically volatile shipping environment, a third of businesses feel they cannot consistently meet their customers' performance standards.

Q: Do you feel that you're able to meet the demands of your customers' KPIs?

SHIPPERS
n=696

Sometimes 33%

Sometimes 37%

CARRIERS
n=393

No 1%

Yes 62%

No 1%

Yes 66%
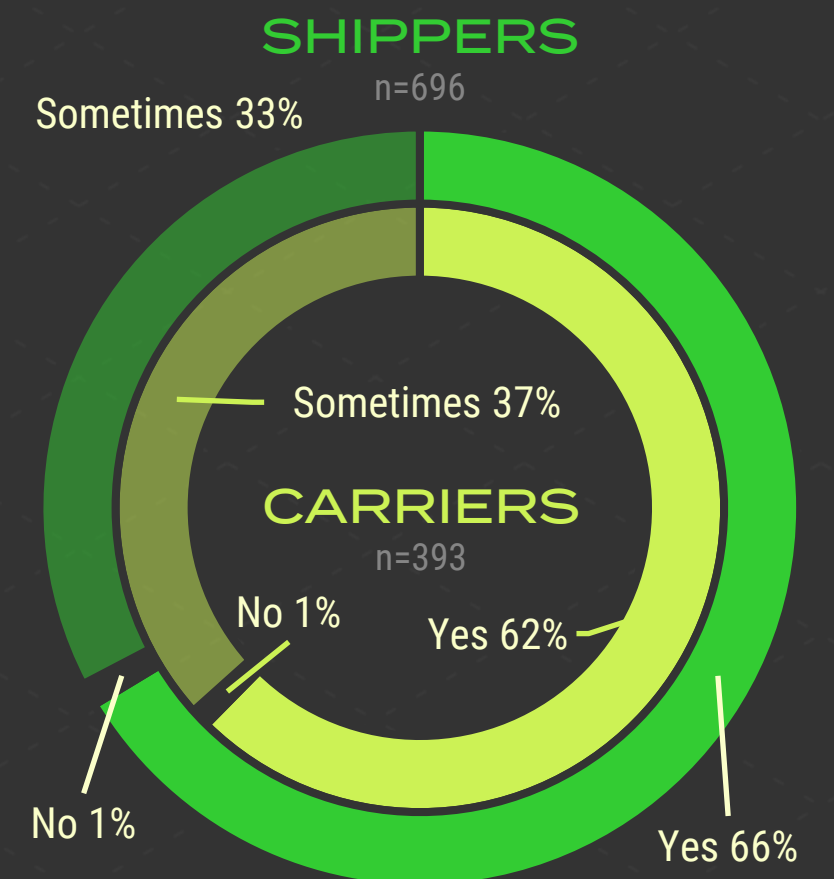
Who We Talked To

Any comprehensive analysis on the current state of supply chain KPIs must account for everyone in the shipping process — manufacturers, distributers, retailers and freight providers.

To answer the core questions around supply chain performance metrics, we asked businesses of all kinds, of all sizes, in all industries.
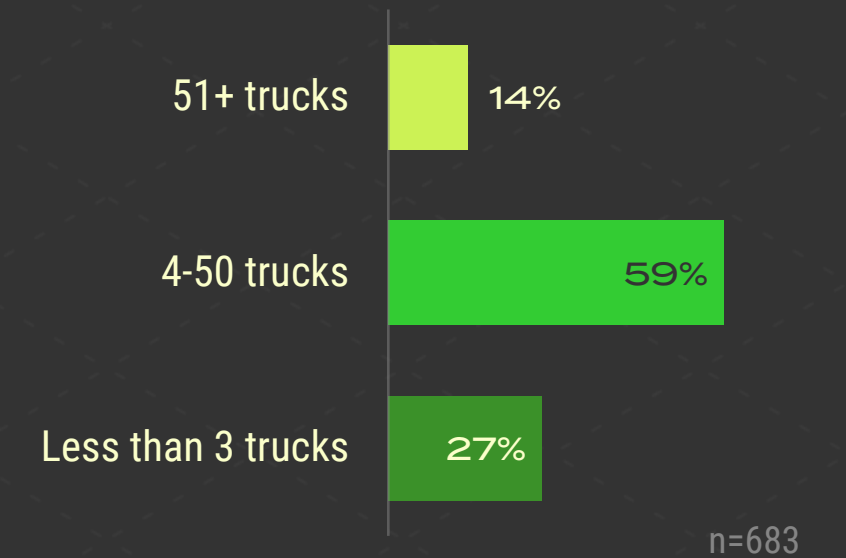
This study has insights from nearly 1,000 shippers and nearly 700 carriers across North America.

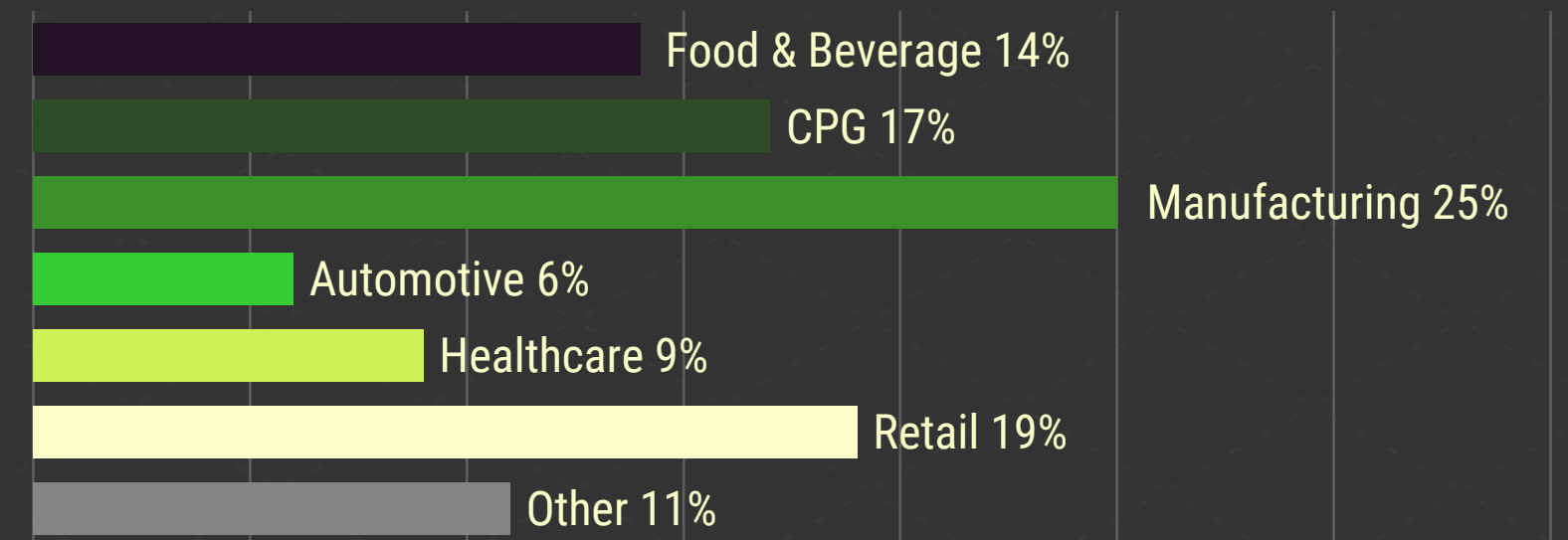Let's find out what they had to say about how data is driving their supply chains.

SHIPPERS: What is the size of your organization in terms of annual revenue?

Revenue	%
$800 M +	17%
$200-$799 M	43%
< $199 M	39%

n=997
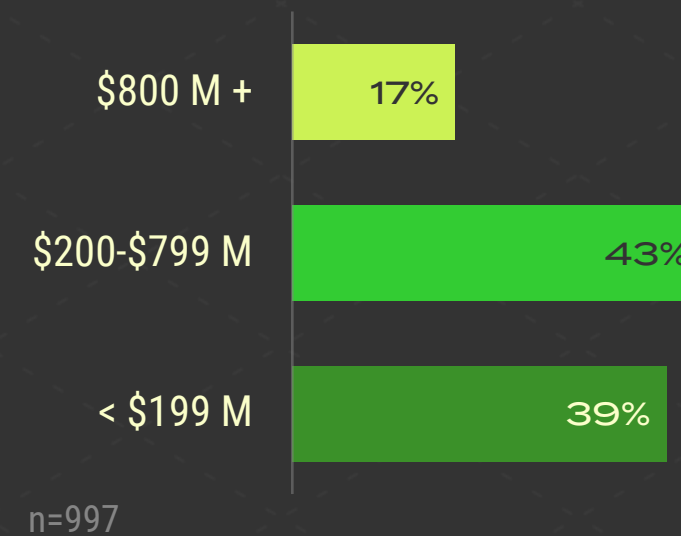
CARRIERS: What is the size of your organization, in terms of fleet size?

Fleet	%
51+ trucks	14%
4-50 trucks	59%
Less than 3 trucks	27%

n=683

SHIPPERS: In which industry does your organization operate?

- Food & Beverage 14%
- CPG 17%
- Manufacturing 25%
- Automotive 6%
- Healthcare 9%
- Retail 19%
- Other 11%

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THE METRICS **THAT MATTER**

SHIPPER
SELF-ASSESSMENT

What businesses think about their ability
to manage supply chain KPIs.

# Do Your Peers Think Supply Chain KPIs Are Important?

The short answer is: **yes, very.**

When asked if KPIs were an essential part of sound supply chain management, 83% of respondents agreed, with 14% remaining neutral — only 3% thought KPIs were unimportant.

In fact, only two other data points in this entire study revealed a greater consensus: that on-time delivery and cost per shipment are important KPIs (both at 85% of respondents).

While there is broad agreement that gathering, analyzing and communicating data is important, many business struggle to actually do these things — **70% of businesses say they face difficulties when trying to turn KPIs into actionable insights**.

Shippers understand the importance of a data-driven strategy.
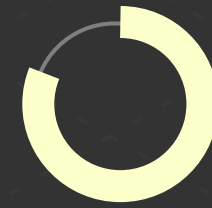
83%
of shippers agree that KPIs are an essential part of sound supply chain strategy.

81%
of shippers believe that their logistics KPIs are in-line with business strategy.

75%
of shippers think they effectively communicate logistics KPIs with their internal teams.

But just because it's important doesn't mean it's easy.

70%
of shippers agree that turning supply chain data into actionable insight is both challenging and time consuming.

Rating Measurement Capabilities

If you're in the 70% of businesses that struggle with supply chain KPIs and you're worried that you're behind the curve, you probably shouldn't be.

Though a vast majority of businesses have at least some level of competency with KPI tracking (only 8% of respondents thought they were KPI novices), fewer than half think they're experts.

Most believe they're just OK, with a majority (52%) rating themselves as intermediate.

Shippers are even less confident with their ability to take action on their data, with 55% rating themselves as intermediate.

Only 36% feel that they are true KPI experts.

For all the advancements in technology, suffice it to say, most businesses feel like they can be doing better. AI and machine learning may help bridge this gap in the future, but supply chain leaders don't think we're there yet.

Few shippers are total data novices, but most are not experts either.

Q: How would you rate your company's ability to track supply chain metrics and KPIs?

Intermediate
52%

Novice
8%

Advanced
40%

n=723
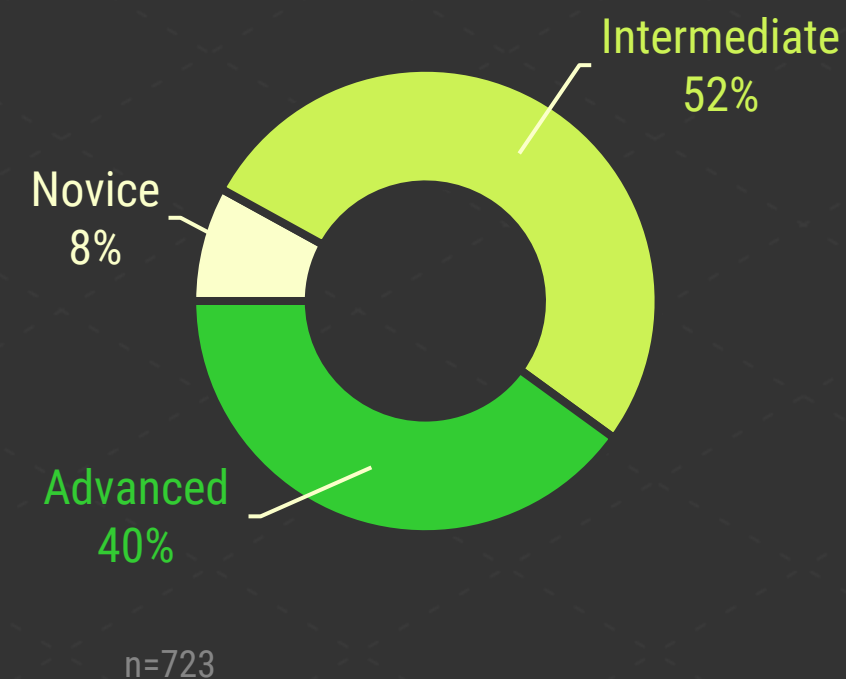
Q: How would you rate your company's ability to take action on the metrics and KPIs you have?

Intermediate
56%

Novice
8%

Advanced
36%
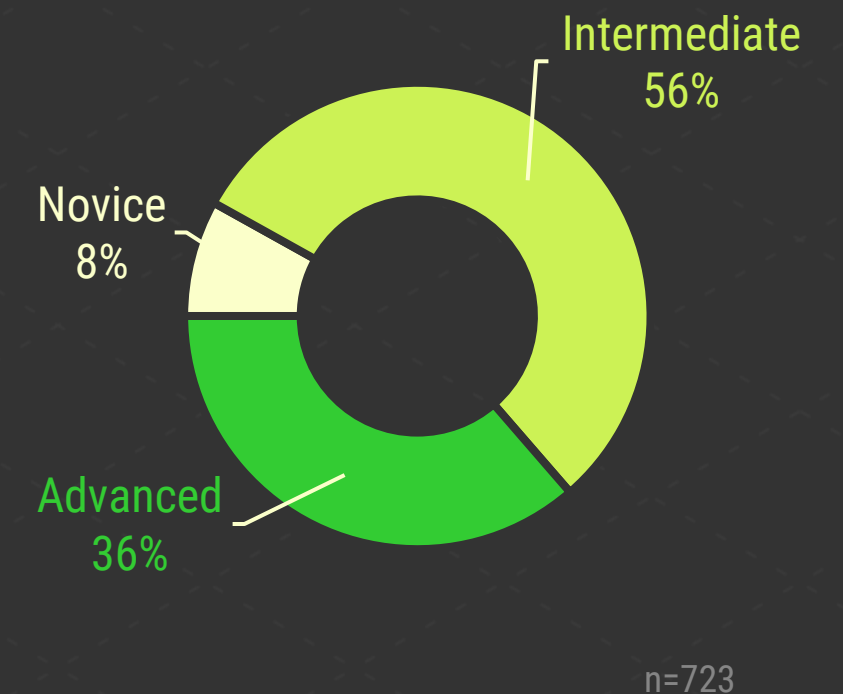
n=723

Data integrity & management dominate shippers' top supply chain KPI challenges.

Getting accurate data
50%

Getting consistent data
41%

Changing strategy based on KPI results
41%

Consolidating data across vendors/carriers
40%

Using the data to change strategy/tactics
38%

Manual analysis of large data sets
33%

Communicating results w/ internal stakeholders
29%

Executing against KPIs
29%
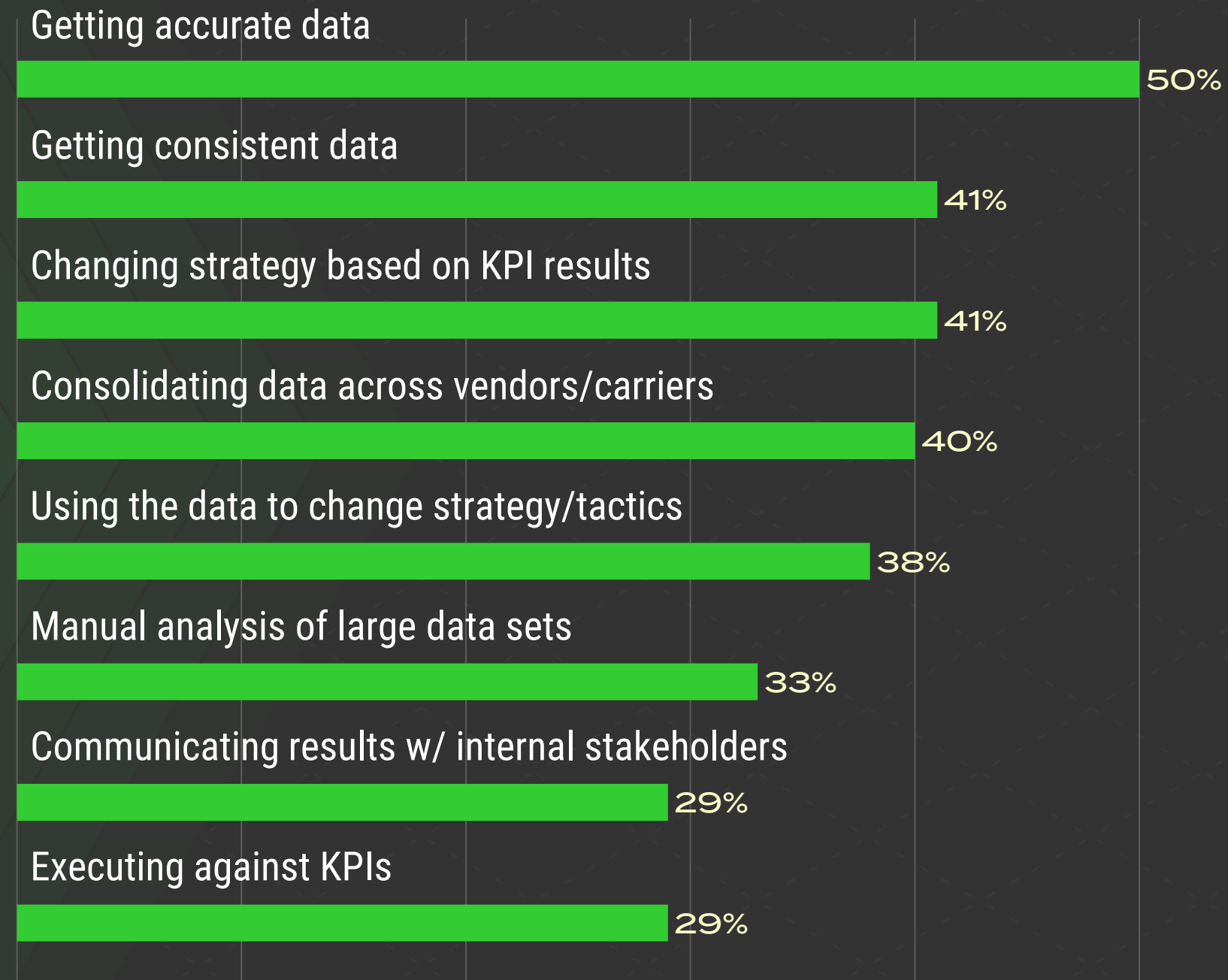
Q: What are your top 3 biggest challenges when gathering, managing and using supply chain KPIs?

n=723

Top Supply Chain KPI Challenges

Over half of businesses think they are just OK at supply chain KPIs — what specifically do they find so difficult?

Though supply chains are more connected than ever, getting accurate data is surprisingly shippers' top challenge. **In fact, it's the only challenge that a majority of respondents ranked among their top three.**

Getting consistent data (41%) and changing strategy based on results (41%) tied for second place among shippers' top KPI challenges, followed closely by merging data across multiple providers (40%).

With three of the top four challenges related to data, it's clear that logistics, as an industry, has not yet achieved true end-to-end visibility.

But some data, even if it's inconsistent and fragmented, is better than no visibility at all. Let's take a closer look at how businesses make do with the information they have.

THE CURRENT STATE OF
KPI MANAGEMENT

How businesses use people and technology to measure performance.

Putting Supply Chain Data to Use

Gathering data is one thing. Using it is another.

End-to-end supply chain visibility sounds great, but if you aren't actively using the information you record from your day-to-day operations, you're just gathering data for data's sake.

Almost all shippers (99%) reference their KPIs at least some of the time, with 80% using them weekly or more.

The top 32% of respondents look at them daily.

If you are only referencing your supply chain KPIs a few times a month or less, you're in the minority and are potentially missing an opportunity to have a more data-driven operation.

80% of shippers reference their KPIs at least once a week.

Quarterly 3%

Monthly 16%

We do not reference them 1%

Daily 32%

Weekly 48%
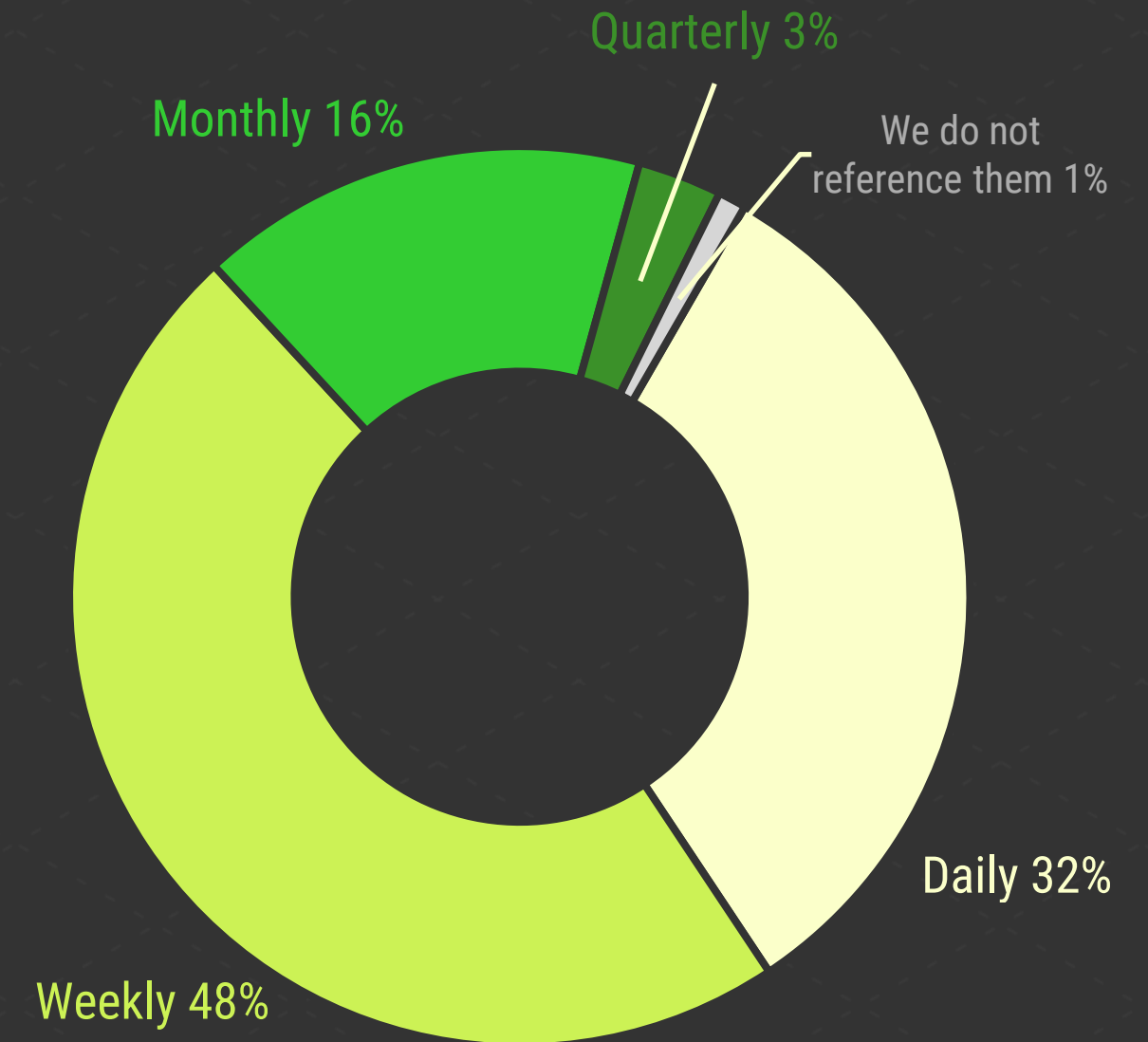
Q: How often do you reference your KPIs?   n=723

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The Tech Tools Shippers Use to Manage KPIs

The collection, management and integration of data are all top KPI challenges — it may have something to do with the fact that 56% of respondents are using free, manual, low-tech solutions to manage performance metrics.

Even with Enterprise Resource Planning (ERP), Transportation Management System (TMS) and Warehouse Management System (WMS) technology available, **most businesses still rely on the tried-and-true spreadsheet for at least some of their KPI management.**

If we break these results down by business size, larger enterprises unsurprisingly make more use of enterprise tech platforms, with 66% of mid-sized shippers and 70% of enterprise shippers using an ERP system (compared to only 39% of small businesses).

While shippers may want all their data in one place, only 15% are currently using control tower technology, including only 19% of large enterprises with bigger tech budgets.

Even though 82% of shippers agree that technology will make KPI management much easier in the next two years, it's clear most businesses today are still cobbling together solutions across multiple carriers, systems and business units.

And the manual effort this patchwork approach demands means shippers need people to both manage and interpret all that data.

The most frequently used KPI management tool, by business size

- Less Than $199 Million:
  Manual (Excel, emails)

- $200 - $799 Million:
  ERP

- $800 Million or more:
  ERP

- All Shippers:
  Manual (Excel, emails)

The Tech Tools Shippers Use to Manage KPIs

82% of shippers believe that technology will make KPI management much easier in the next 2 years, but we aren't there yet — a majority of businesses (even large ones) still use spreadsheets.

Q: Which technology tools do you use to track and manage your supply chain KPIs?

■ All Shippers   ■ Less than $199 million   ■ $200-$799 million   ■ $800 million or more
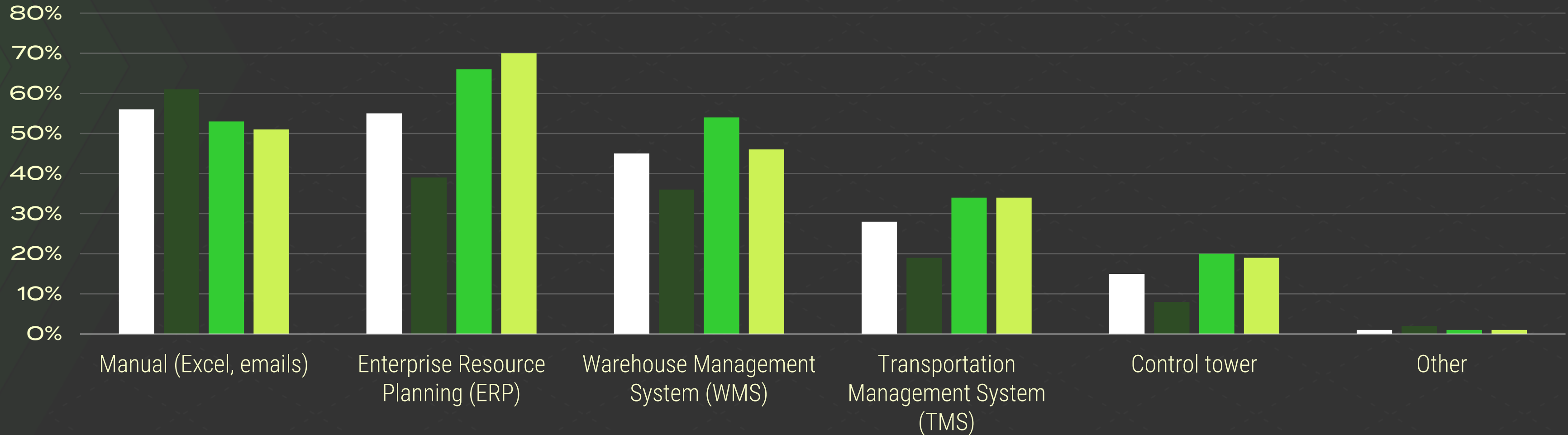

n=723

How Shippers Allocate Resources

Every business is different, and there is no one-size-fits-all solution for managing KPIs.

Shippers were divided on their approaches.

Across all types of supply chain KPIs, on average, 42% of shippers look outside their organization (either outsourcing completely or relying on carriers to provide), 55% manage internally and 3% are not tracking at all.
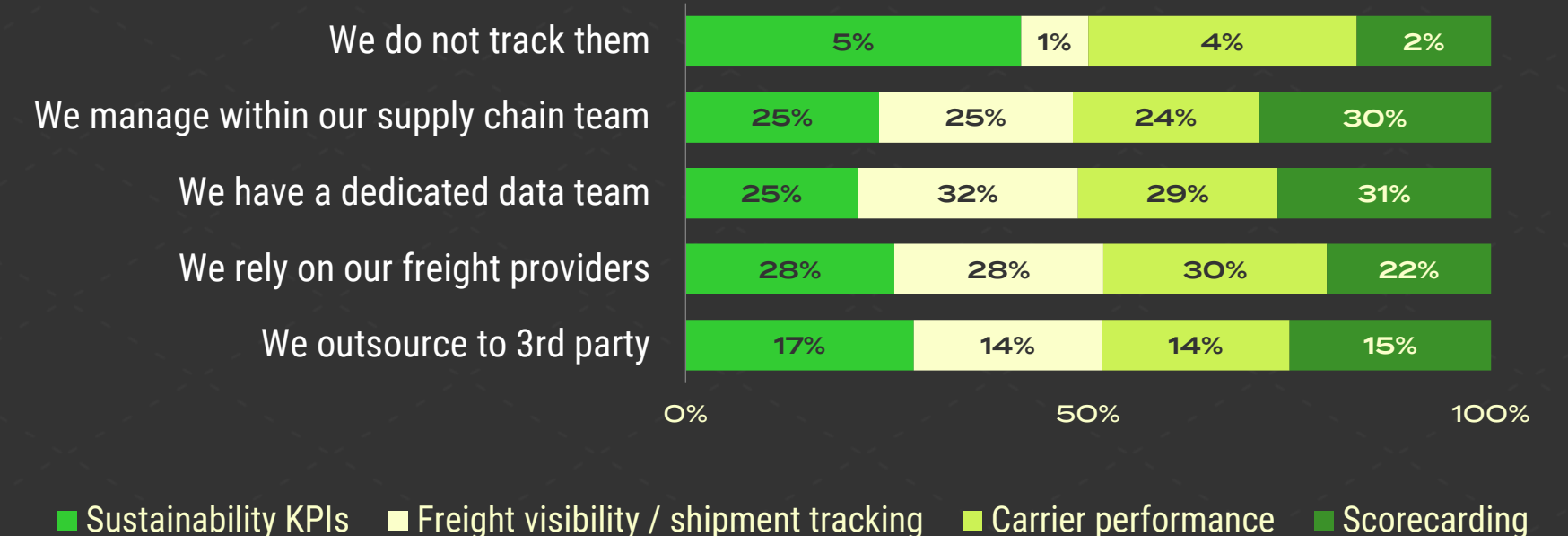
Their most common overall approach is using a dedicated data team to centrally manage all KPIs (29%), followed by relying on freight providers (27%) and managing within the supply chain department (26%).

On average, shippers manage 42% of their KPIs using external freight providers or outsourcing completely.

Rely on external providers
42%

Rely on internal teams
55%

Do not track
3%
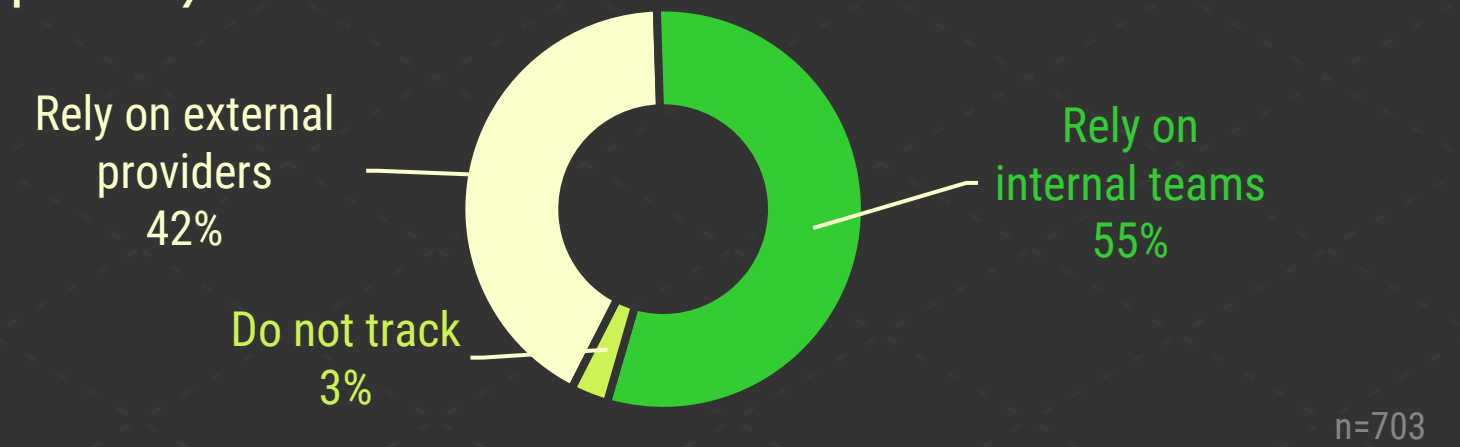
n=703

There is no right way to manage KPIs, but shippers are most likely to either use a dedicated data team or manage within their supply chain team.

Q: How do you approach KPI management for each of the following? n=703

	Sustainability KPIs	Freight visibility / shipment tracking	Carrier performance	Scorecarding
We do not track them	5%	1%	4%	2%
We manage within our supply chain team	25%	25%	24%	30%
We have a dedicated data team	25%	32%	29%	31%
We rely on our freight providers	28%	28%	30%	22%
We outsource to 3rd party	17%	14%	14%	15%

0%   50%   100%

■ Sustainability KPIs   ■ Freight visibility / shipment tracking   ■ Carrier performance   ■ Scorecarding

 13

THE KPIs
THAT MATTER MOST

How shippers and carriers rank the importance of performance data.

Ranking KPIs

We've covered how businesses are gathering, managing and analyzing their supply chain KPIs.

Now it's time to see what they're actually collecting and using.

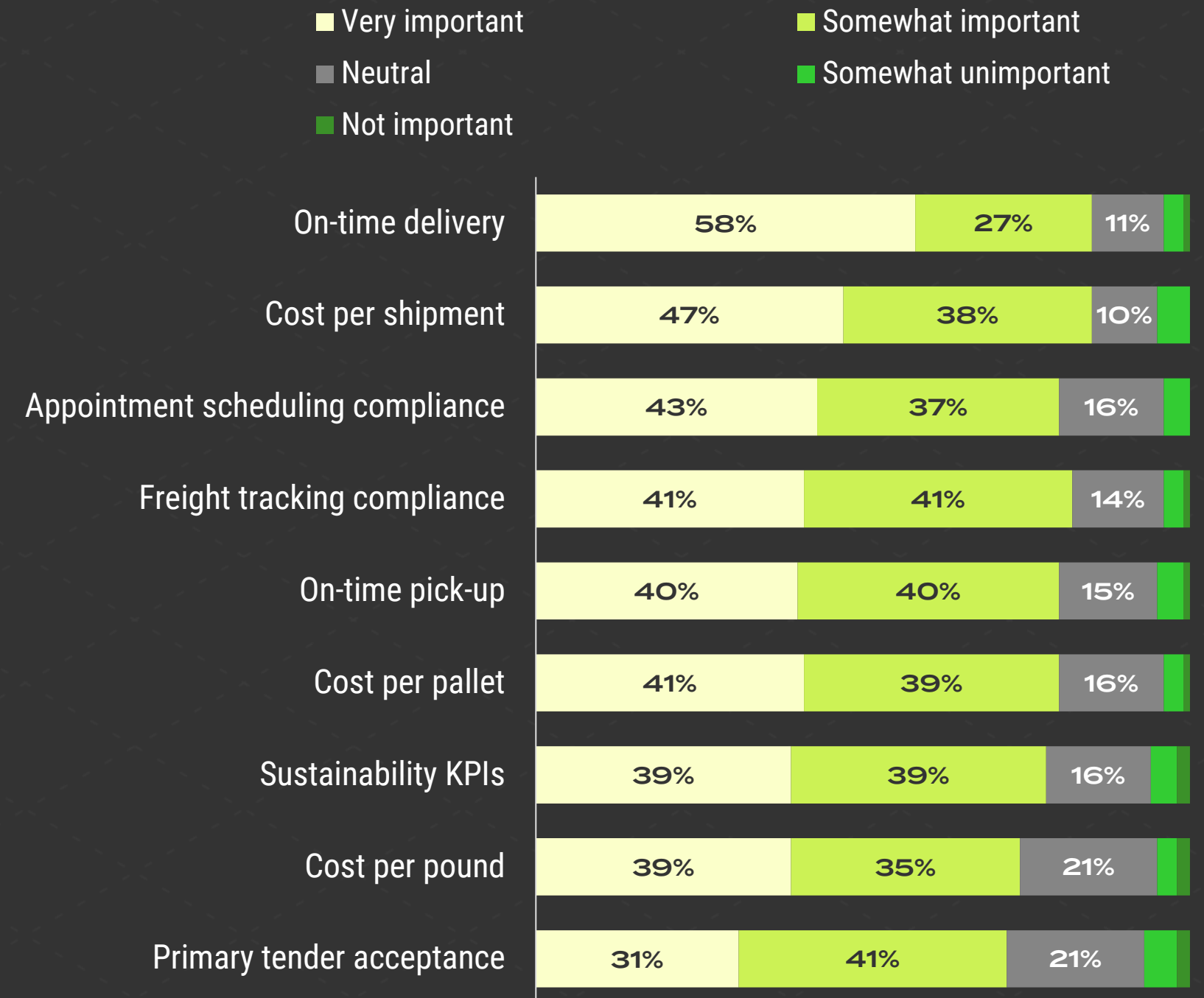**What KPIs are they measuring and which are the most important?**

By definition, every key performance indicator should matter, but not all KPIs are created equal.

When asked to choose, there was one clear winner: **on-time delivery.**

This was the only KPI that a majority (58%) of respondents noted as very important, a full 11% ahead of second place (cost per shipment at 47%).

Let's dive deeper into how businesses think about some of the top KPIs.

Shippers think all these KPIs are important, but on-time delivery matters most.

Legend:
- ■ Very important
- ■ Somewhat important
- ■ Neutral
- ■ Somewhat unimportant
- ■ Not important

KPI	Very important	Somewhat important	Neutral
On-time delivery	58%	27%	11%
Cost per shipment	47%	38%	10%
Appointment scheduling compliance	43%	37%	16%
Freight tracking compliance	41%	41%	14%
On-time pick-up	40%	40%	15%
Cost per pallet	41%	39%	16%
Sustainability KPIs	39%	39%	16%
Cost per pound	39%	35%	21%
Primary tender acceptance	31%	41%	21%

Q: How important are the following logistics KPIs to your business?   n=723

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Cost vs. Performance

If you ask a shipper, "What's more important, lower cost or high-performance service?" the most likely answer is: yes.

But you can't always have both.

Sometimes you need to decide which to prioritize when you're choosing a mode, a carrier or shipping service.

It's the quintessential debate for all supply chain professionals: How do I provide the best service to my customers while protecting my freight budget?

After two years of extreme supply chain volatility, businesses are reorganizing their strategies to focus on service, with 77% of respondents placing a premium on performance over sheer cost-cutting.

As supply chain moves from a back-office cost center to the forefront of strategic corporate planning, that trend is not likely to reverse.

Two years of extreme supply chain volatility has pushed the need for a high-performance shipping operation ahead of cost-cutting measures.

Q: When thinking of your company's overall supply chain strategy, is your business more performance-/service-oriented or cost-conscious?

We prioritize cost 23%

We prioritize performance 77%
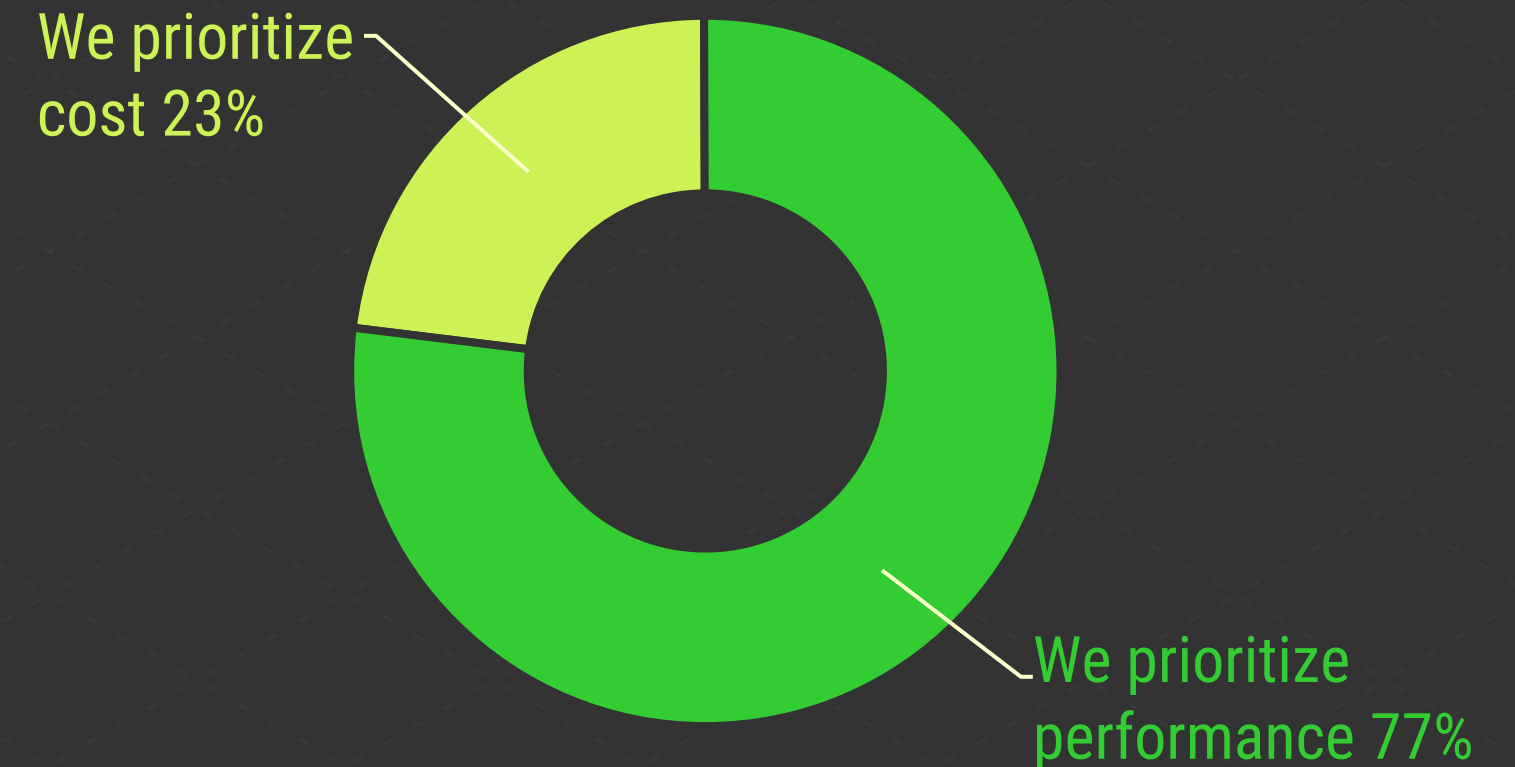
n=700

Delivery vs. Pick-Up

Similar to the cost vs. service divide, if you ask a shipper if they want on-time pick-up or on-time delivery, they're likely to say, "both". And the data proves it.

When pitting pick-up and delivery against each other head-to-head, 59% of respondents said they were equally important.

**But you don't ship freight in a perfect world, and sometimes you have to compromise.**

The overall trend held true: delivery tends to be more important than pick-up.

WHAT SHIPPERS THINK

Most think they are equally important, but when forced to choose, they will prioritize delivery over pick-up.

Q: Which of these two KPIs is more important to your supply chain operations?

- On-time pick up
- On-time delivery
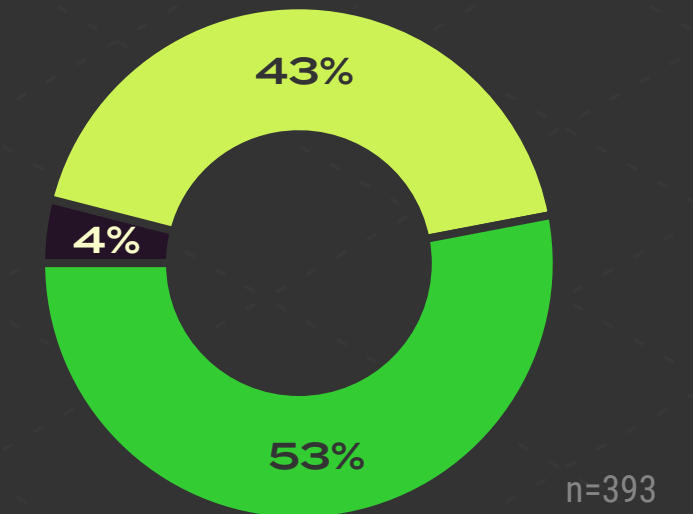- Equally important

35%
6%
59%

n=695
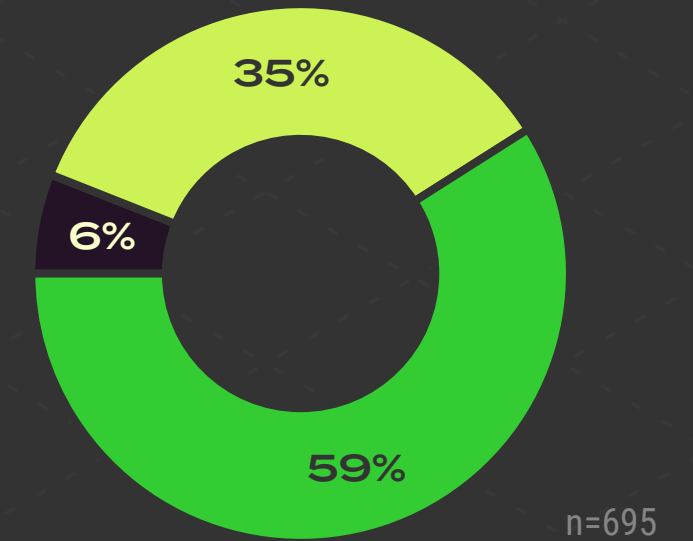
WHAT CARRIERS THINK

A slight majority believe both are equally important, and delivery far outpaces pick-up in a head-to-head.

Q: Which of these two KPIs do you think your customers care about more?

- On-time pick up
- On-time delivery
- Equally important

43%
4%
53%

n=393

COYOTE LOGISTICS

THE METRICS THAT MATTER

What Shippers & Carriers Really Think About Supply Chain KPIs

Visibility

It's no secret: Shippers want end-to-end visibility.

When evaluating freight providers, 82% of shippers said freight tracking compliance was important to their business.

With nearly every person walking around with an internet-connected, GPS-enabled device in their pocket, tracking freight should be easy, right?

While most shippers were generally confident in the accuracy of their data and their ability to use it, their responses weren't terribly convincing.

Only 27% of shippers were very confident in the accuracy of their data, while 53% were just somewhat confident. The same was true for their ability to use the data, with 27% thinking they were excellent and 50% only decent.

WHAT SHIPPERS THINK

Less than a third of shippers think they have achieved true end-to-end visibility.

Q: When considering freight visibility & shipment tracking, how confident are you in the accuracy of the data you receive?

- Not confident
- Somewhat unconfident
- Neutral
- Somewhat confident
- Very confident

14%
5%
1%
53%
27%

n=695
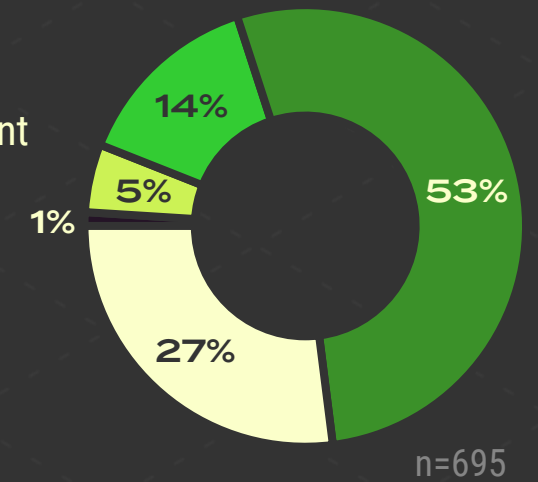
WHAT CARRIERS THINK

Though closer to the driver, they were less confident in their data accuracy (& even less confident in their ability to do anything with it).

Q: When considering freight visibility and shipment tracking, how confident are you in the overall accuracy of your data?

- Not confident
- Somewhat unconfident
- Neutral
- Somewhat confident
- Very confident

16%
6%
1%
50%
27%

n=393
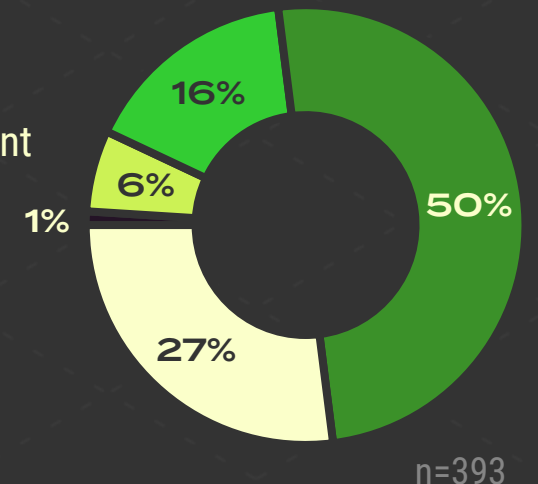
SETTING INDUSTRY
STANDARDS

Where shippers & carriers agree on supply chain KPI benchmarks.

Finding Stability Amid Volatility

The last two years have pushed supply chains to their limits.

In response, 57% of shippers have increased the pressure on their carrier base. Others (26%) have extended their freight providers a bit of grace, opting for a shipper-of-choice approach.

Whether they're ratcheting up the pressure, easing off or staying the same, **businesses on both sides of the supply/demand divide want to reach a consensus.**

As volatility increases, everyone is searching for a set of standards they can aim for.

We asked shippers and carriers to break down what they consider acceptable performance across the core supply chain KPIs.

Use the following insights from hundreds of your peers to critically examine your own standards.

To keep up with their own customers' demands, most shippers have raised their KPI standards for their carrier base.

We are more lenient with our carriers 26%

We are more demanding on our carriers 57%

No change 17%
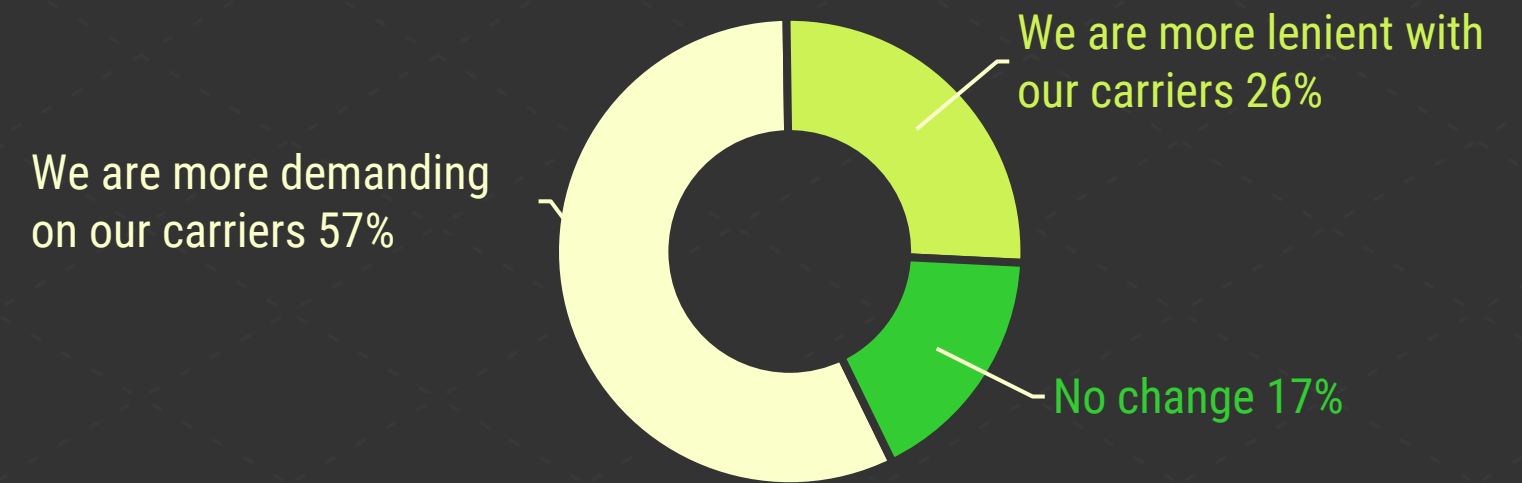
Q: How have consumer demands impacted your KPI standards for your freight providers?

n=695

Both sides of the market believe that there should be set industry standards for logistics KPIs.

78% OF SHIPPERS & **74%** OF CARRIERS

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On-Time Pick-Up

Shippers and carriers were closely aligned on their expectations.

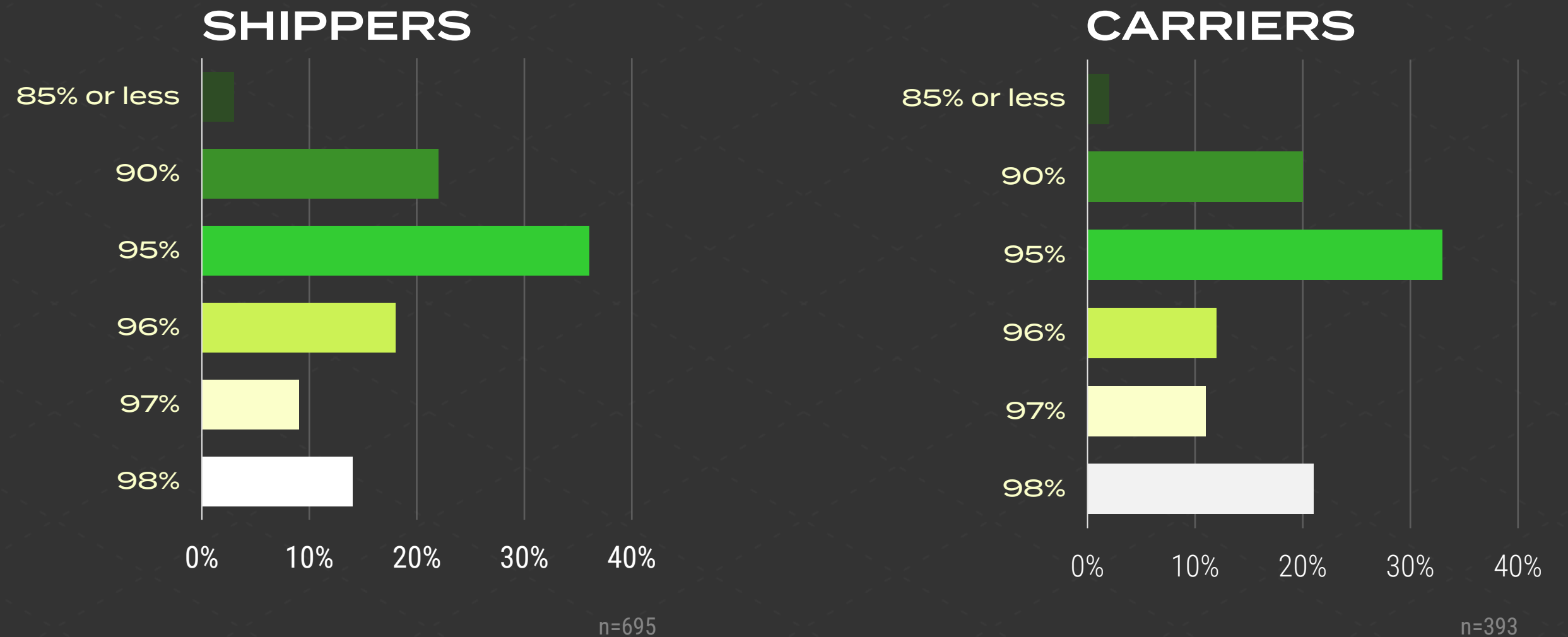**The most commonly selected choice for both was 95% on-time performance.**

While 41% of shippers expected 96% on-time performance or better, a majority of respondents felt that is too demanding.

INDUSTRY STANDARD
95% on-time pick-up performance

Q: What do you consider to be acceptable on-time pick-up performance?

SHIPPERS

- 85% or less
- 90%
- 95%
- 96%
- 97%
- 98%

0% 10% 20% 30% 40%

n=695

CARRIERS

- 85% or less
- 90%
- 95%
- 96%
- 97%
- 98%

0% 10% 20% 30% 40%

n=393

What Shippers & Carriers Really Think About Supply Chain KPIs

Defining an "On-Time" Pick-Up

When thinking about on-time performance, the obvious next question is "what do you consider to be on time?".

68% of shippers measure on-time performance to an appointment, while 32% measure on-time to the day.

For those that measure on-time to the appointment, only 17% require carriers to be exactly on-time.

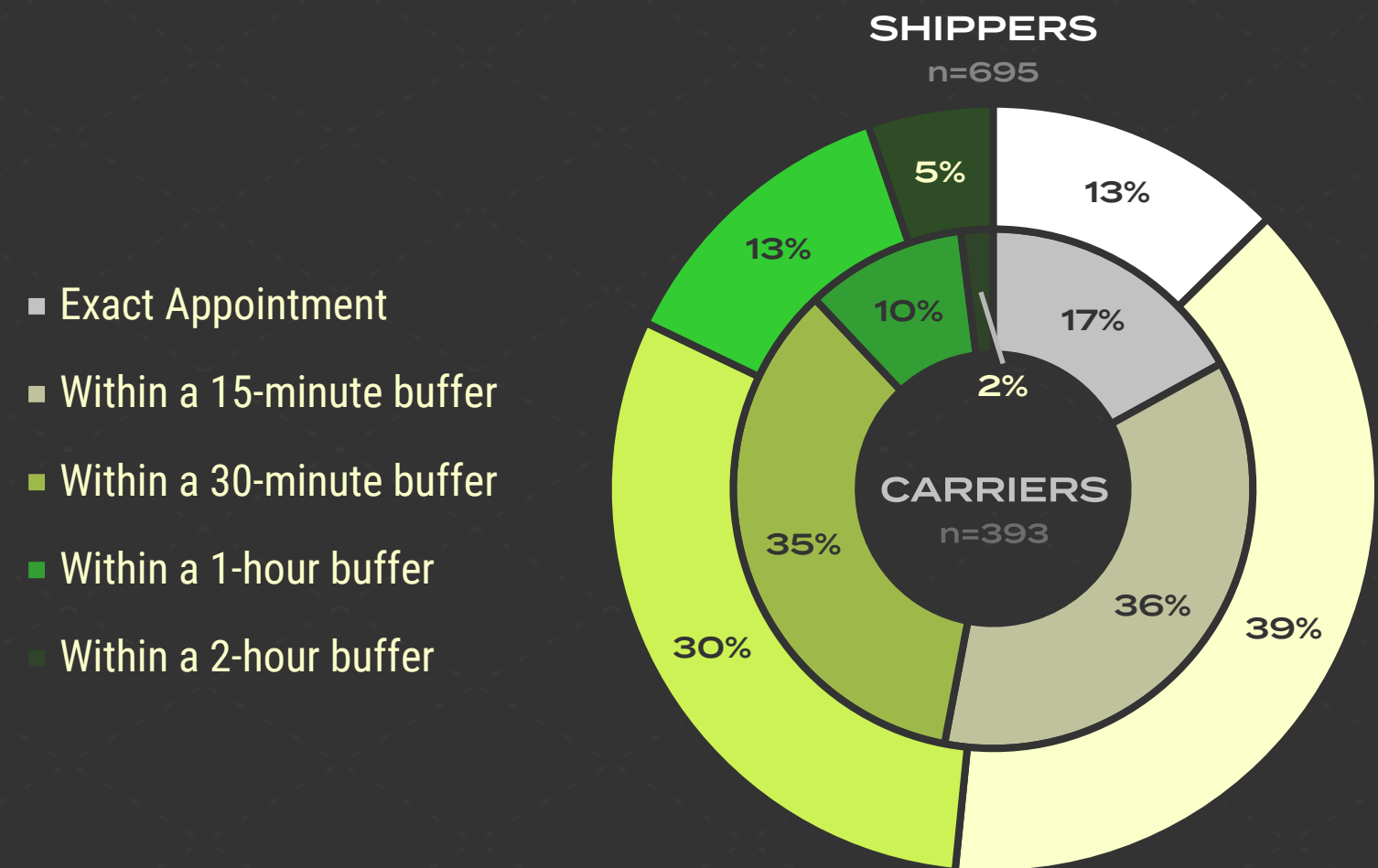The other 83% give at least some buffer, which is something 88% of carriers expect.

While a 15-minute buffer was the most commonly selected choice for both shippers (36%) and carriers (37%), many shippers (47%) and a majority of carriers (51%) expect more than that (and keep in mind that 32% of shippers don't even measure to the appointment).

INDUSTRY STANDARD
On-time to the appointment with a 30-minute buffer

Q: What does your business consider as an "on-time" pick-up?

- Exact Appointment
- Within a 15-minute buffer
- Within a 30-minute buffer
- Within a 1-hour buffer
- Within a 2-hour buffer

SHIPPERS
n=695

13%
17%
2%
10%
13%
5%
39%
36%
35%
30%

CARRIERS
n=393

On-Time Delivery

Similar to pick-up expectations, 95% was the most common choice for both shippers (35%) and carriers (31%).

However, a slightly greater number of respondents in both groups held higher standards, with 3% more shipper respondents and 4% more carrier respondents expecting 96% or better for delivery performance.
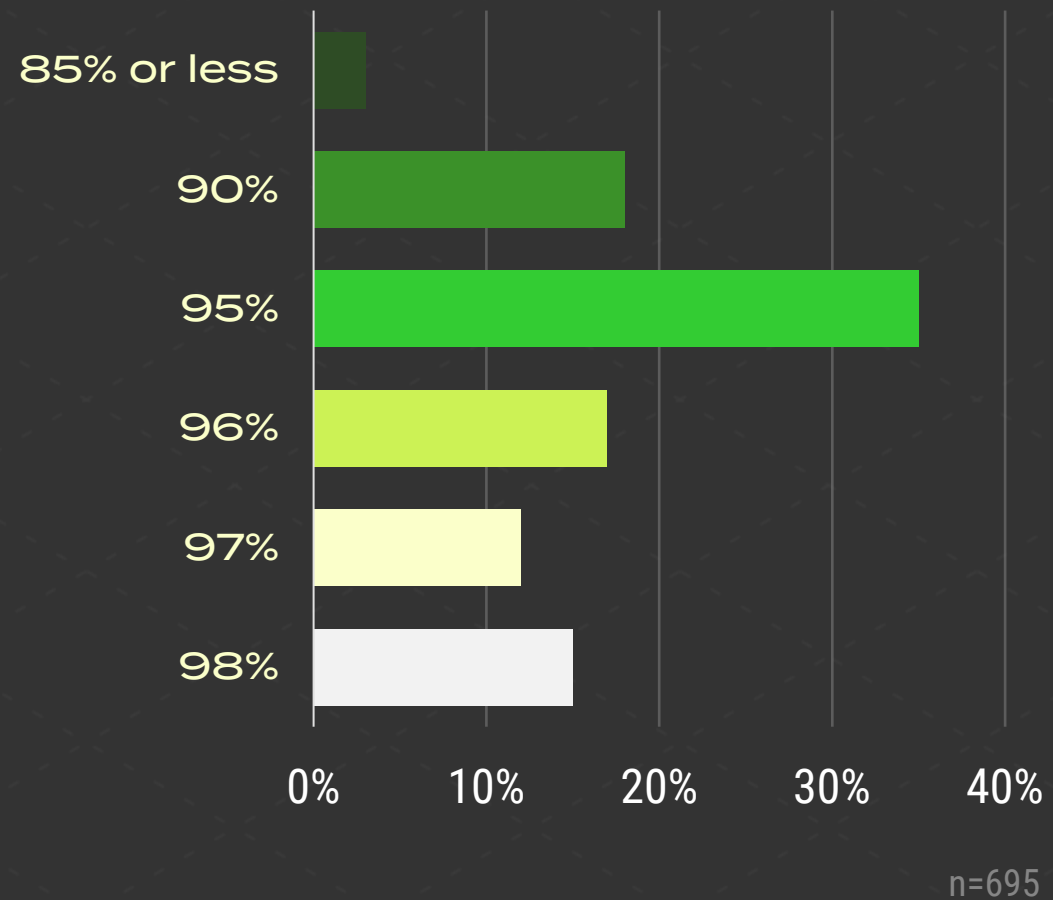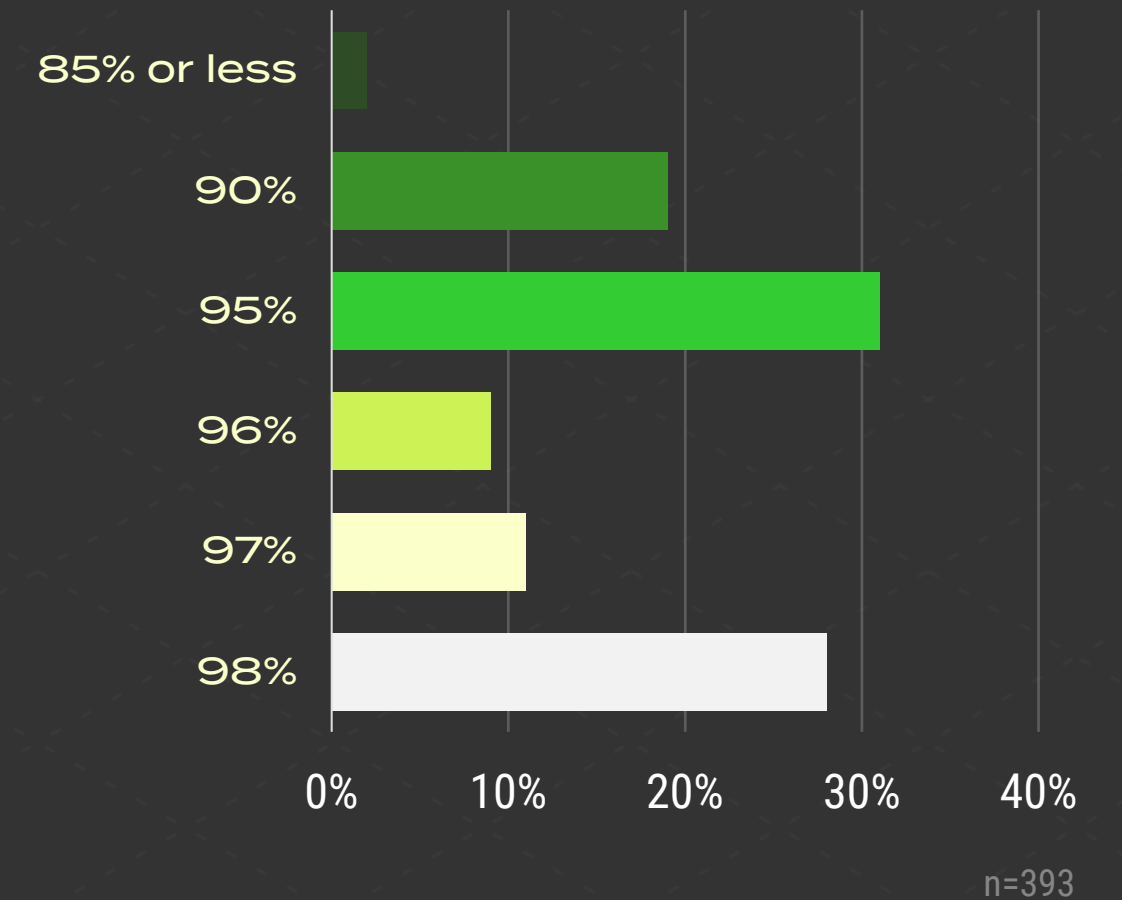
INDUSTRY STANDARD
95% on-time delivery performance

Q: What do you consider to be acceptable on-time delivery performance?

SHIPPERS

Category	
85% or less	
90%	
95%	
96%	
97%	
98%	

0%   10%   20%   30%   40%

n=695

CARRIERS

Category	
85% or less	
90%	
95%	
96%	
97%	
98%	

0%   10%   20%   30%   40%

n=393

Defining an "On-Time" Delivery

Once again, what shippers and carriers consider to be "on-time" for deliveries nearly mirrors their expectations for pick-ups.

67% of shippers measure on-time performance to the appointment.

Of the businesses that measure to the appointment, 84% of them offer at least some buffer, and 86% of carriers expect one.
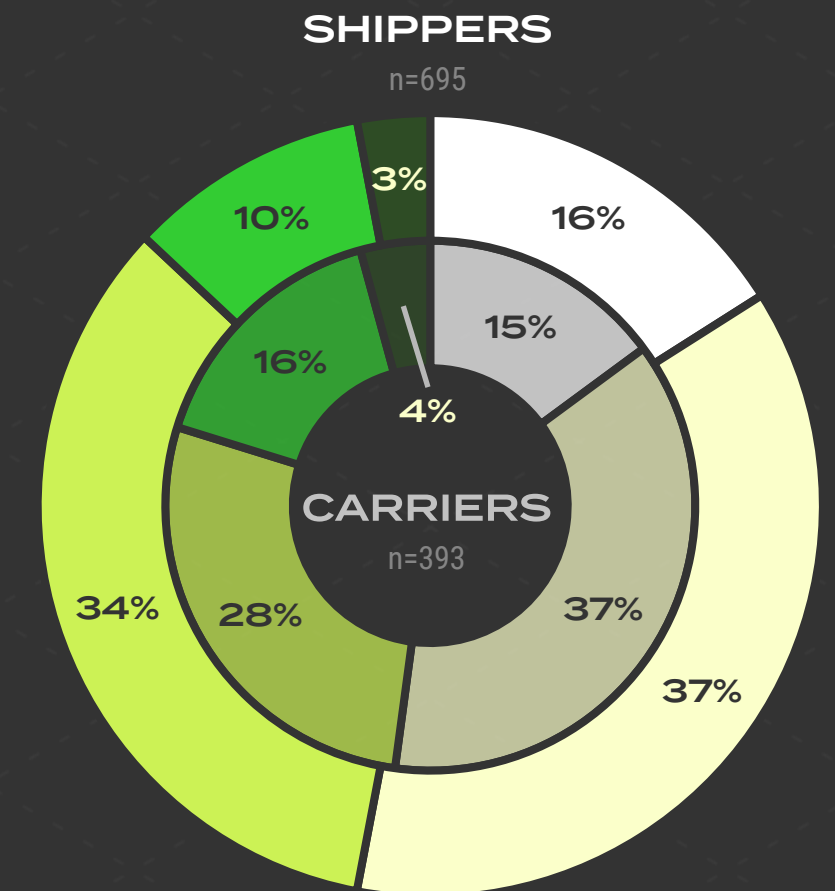
INDUSTRY STANDARD
On-time delivery performance to an appointment with a 30-minute buffer

Q: What does your business consider as an "on-time" delivery?

- ■ Exact Appointment
- ■ Within a 15-minute buffer
- ■ Within a 30-minute buffer
- ■ Within a 1-hour buffer
- ■ Within a 2-hour buffer

SHIPPERS n=695

CARRIERS n=393

3% 10% 16% 15% 16% 16% 4% 28% 34% 37% 37%

Primary Tender Acceptance

A sign that the market is heading toward rate inflation: a decrease in primary tender acceptance.

In a tighter capacity environment, the spot market offers lucrative opportunities to carriers, and they tend to accept less freight at contract rates set in a much softer market.

90% was the most common choice for an acceptable rate of primary tender acceptance for both shippers (31%) and carriers (30%).

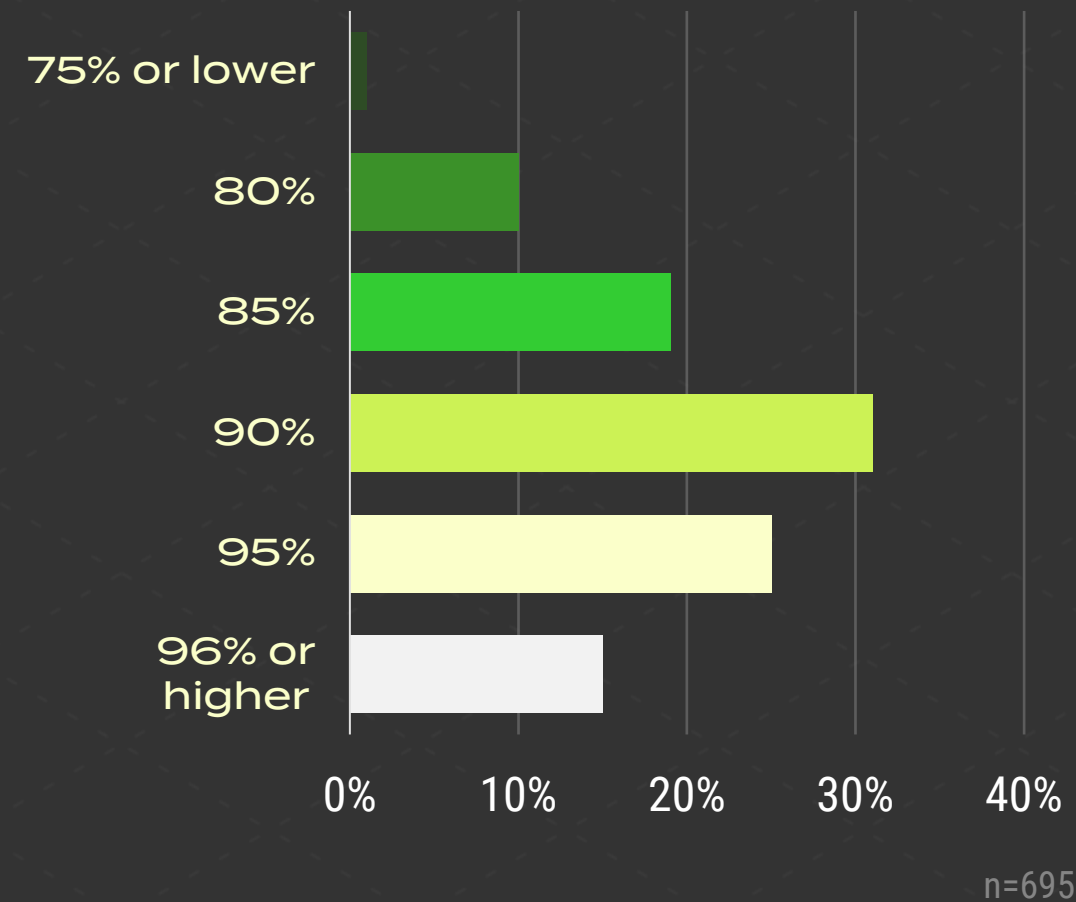Interestingly, carriers actually hold themselves to a slightly higher standard than shippers.
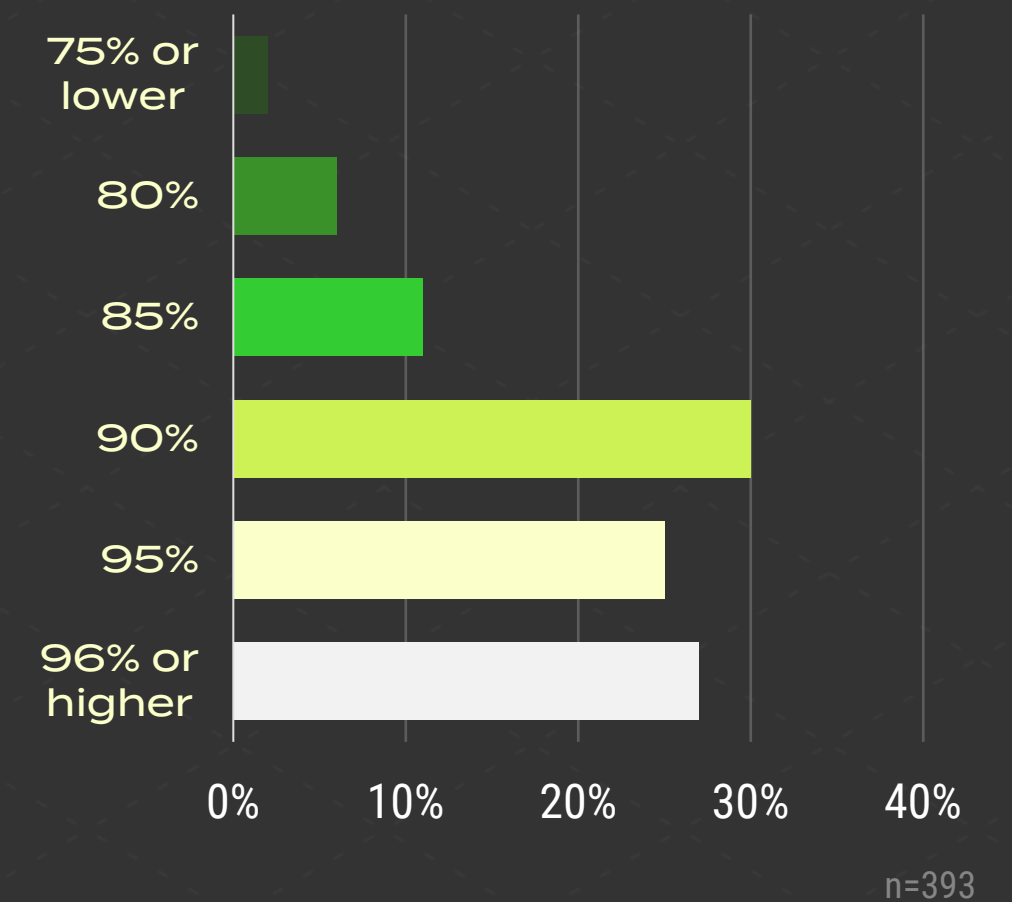
INDUSTRY STANDARD
90% primary tender acceptance

Q: What do you consider to be acceptable primary tender acceptance performance?

SHIPPERS

n=695

CARRIERS

n=393

Payables

According to the American Trucking Association, 97% of the U.S. trucking industry is made up of carriers with 20 trucks or fewer.

For small businesses, cash flow is king, and many carriers cannot wait weeks to get revenue.

They have drivers to pay and diesel tanks to fill. It's no surprise that 94% of carriers expect to get paid within 30 days, and 61% expect to get paid within a week or less.

Shippers understand this, with 93% of respondents paying within 30 days.

The greatest number of both shippers and carriers, however, believe the standard should be a bit higher: 40% of shippers and 46% of carriers prefer payment to occur within one week.
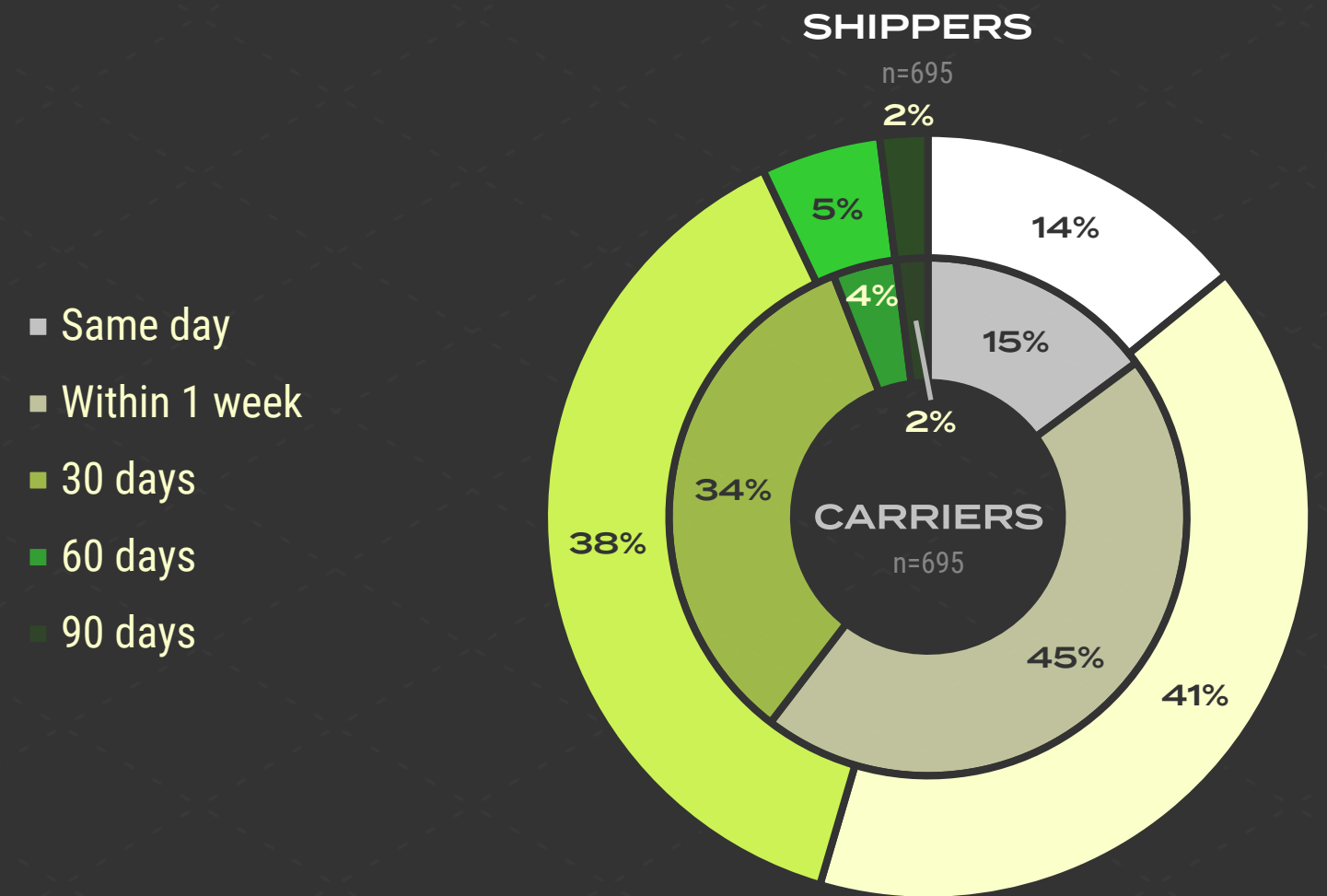
INDUSTRY STANDARD
Within one week

SHIPPERS
Q: What are your standard payment terms for freight payables?

CARRIERS
Q: How quickly do you expect to get paid for your loads?

SHIPPERS
n=695

- Same day
- Within 1 week
- 30 days
- 60 days
- 90 days

SHIPPERS: 2%, 14%, 15%, 45%, 41%, 38%, 34%, 5%, 4%

CARRIERS
n=695

2%

COYOTE LOGISTICS

Cost

Every business is going to measure their finances differently.

But in order to understand how most shippers and carriers view freight spend and revenue respectively, we asked them which of several rates they prefer to track.

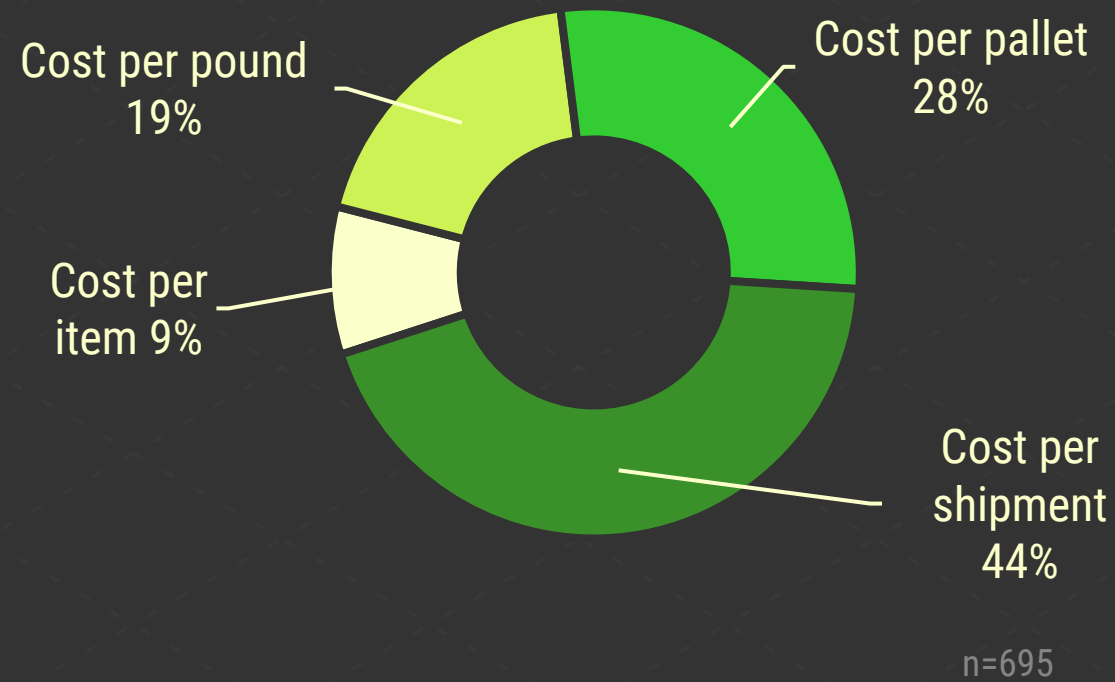Once again, shippers and carriers were aligned, most commonly looking at their financials on a per shipment basis.

INDUSTRY STANDARD
Cost or rate per shipment

SHIPPERS

Q: How do you measure freight cost as a KPI?

Cost per pound 19%

Cost per pallet 28%

Cost per item 9%

Cost per shipment 44%

n=695

CARRIERS

Q: How do you track revenue as a KPI?

Rate per mile 16%

Revenue per driver per day 23%

Revenue per driver per week 11%

Rate per shipment 50%

n=393

COYOTE LOGISTICS
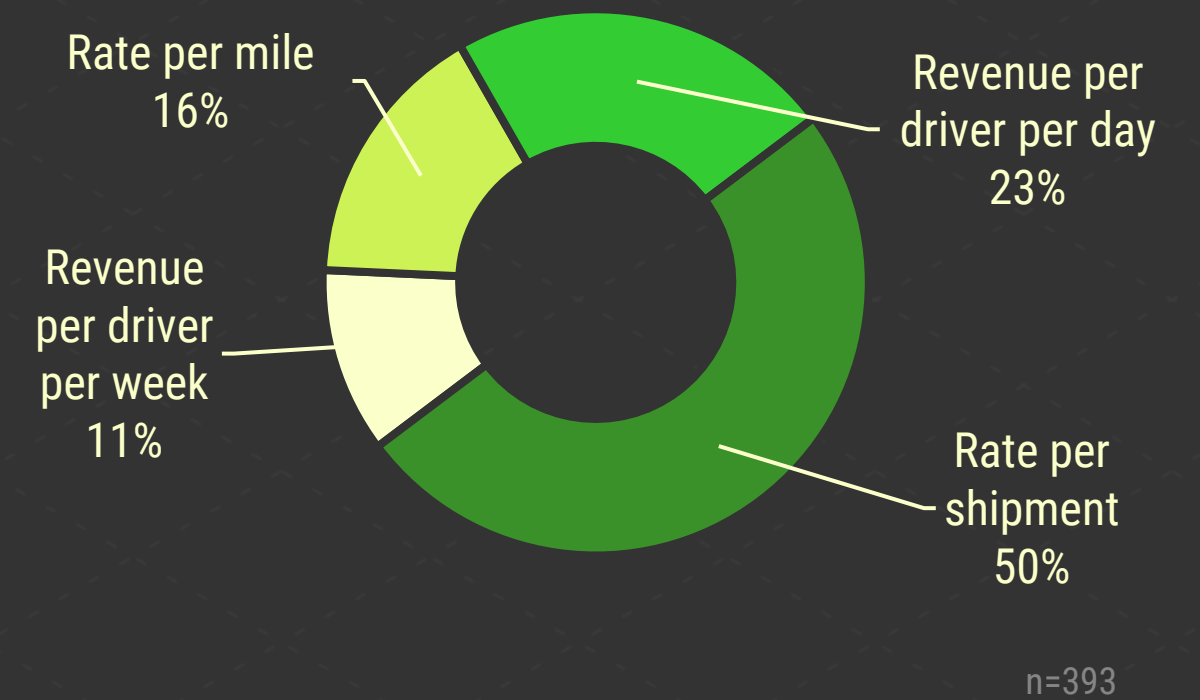
The Industry Standards for Supply Chain KPIs

According to hundreds of shippers and carriers of all business sizes in all regions, here are the reasonable expectations.

Try to implement these into your supply chain.

PICK-UP PERFORMANCE:

95% ON-TIME

to an appointment with a 30-minute buffer

DELIVERY PERFORMANCE:

95% ON-TIME

to an appointment with a 30-minute buffer

PRIMARY TENDER ACCEPTANCE:

90% ON-TIME

PAYMENT TERMS:

within **1** WEEK
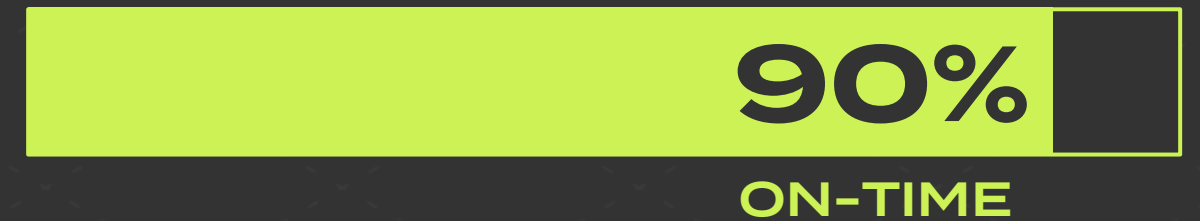
COST/REVENUE MEASUREMENT:

PER SHIPMENT RATE

WORKING WITH YOUR
FREIGHT PROVIDERS

How to use KPIs for more strategic
relationships with your carrier network.

Using Data to Manage Your Vendors

It's called a supply chain — that means all participants, both shippers and carriers, are interconnected.

We all work together to make and move the freight that keeps the world running.

In fact, shippers rely on external providers to move a majority of their freight.

Because working with 3PLs and carriers is such an integral part of shipping operations, it's essential to use your KPIs to build stronger, more strategic relationships with your network.

Now that you know the industry benchmarks, **let's dive deeper into how you can put that knowledge to use for more productive interactions with your freight providers.**

Since shippers move most of their freight with external providers, it's essential to use KPIs to build strong, strategic relationships.

Q: What percentage of your freight management do you outsource to brokers, 3PLs or carrier partners?

53%

How Carriers Manage Their KPIs

When thinking how to approach KPI management with your freight providers, it's important to first understand what their challenges are and where they're coming from.

56% of shippers rely on manual processes to manage their supply chain KPIs. For carriers, it's even higher at 66%.

And only 26% of carriers think they're experts at using KPIs to influence strategy.

It's no surprise, then, that their top challenge is using data to drive actionable change, followed by measuring data against previous performance and gathering metrics in a standard way.

When working with your freight providers, make sure you align on their level of KPI technology and overall ability to interpret data.

One of the best ways to give clear, open, easy-to-understand performance metrics is the carrier scorecard.
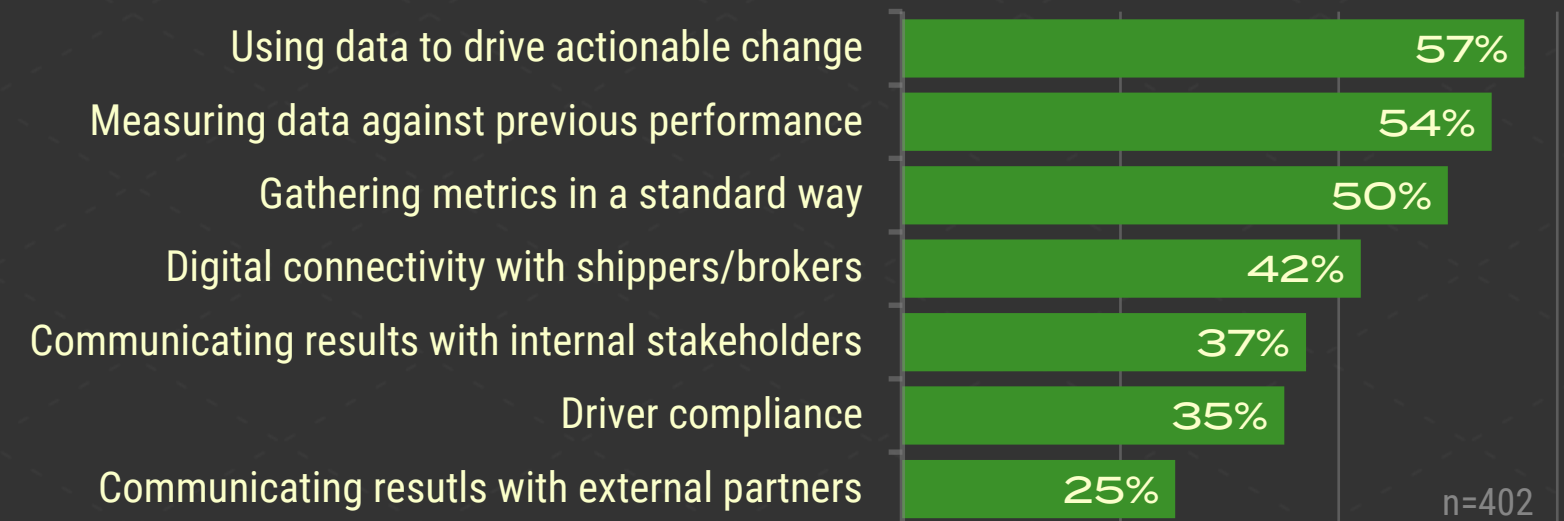
Carriers are likely to use email & excel for data management.

Q: Which technology tools do you use to track & manage KPIs?

Manual (Excel, emails)	66%
Dispatching software	57%
TMS	22%
Other	3%

n=402
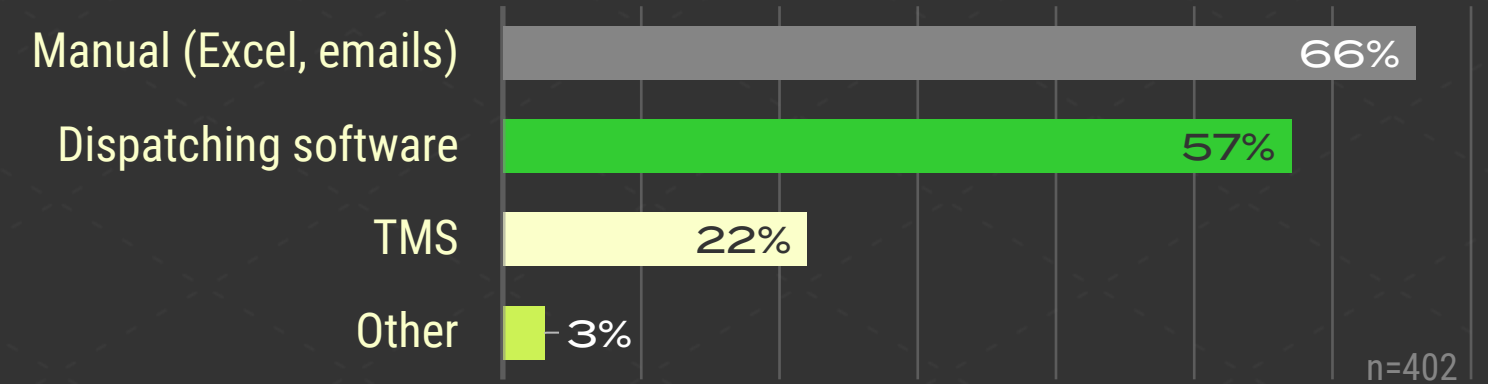
And they often struggle with putting insights to use.

Q: What are your biggest challenges with KPIs? Select top three.

Using data to drive actionable change	57%
Measuring data against previous performance	54%
Gathering metrics in a standard way	50%
Digital connectivity with shippers/brokers	42%
Communicating results with internal stakeholders	37%
Driver compliance	35%
Communicating resutls with external partners	25%

n=402

The Importance of Carrier Scorecards

It's hard to improve performance if you don't know where you stand.

If you want to have strong, long-term relationships with your freight providers, clear, open communication is essential.

The best and most common way to share your KPIs and objectives with your providers is the carrier scorecard.

77% of carriers agree that carrier scorecards are useful tools for performance improvement.

If you aren't using them in regular communications with your core freight providers, you probably should be.

Your freight providers are likely to find carrier scorecards to be powerful tools.

Q: Do you find carrier scorecards from your customers/brokers useful tools to help monitor and improve your performance?

Agree 77%

Disagree 8%

Netural 15%

n=402
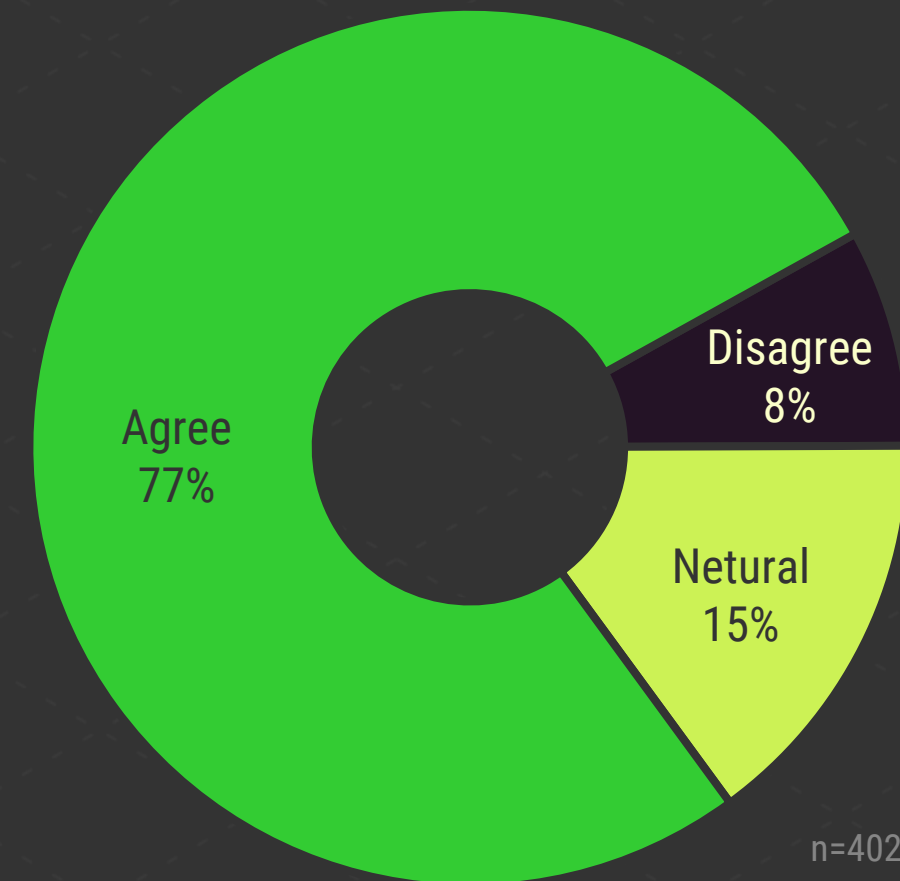
Asset vs. Non-Asset Carriers

If you want to build a resilient carrier network, diversity is important.

When asked if they use asset-based carriers, non-asset-based carriers (3PLs/brokers) or both, **shippers were most likely to rely on a mix of the two.**

When it came to views on performance between the two types of freight providers, shippers were split.

While they were most likely to think asset-based carriers provide better service, 19% chose 3PLs and 33% said there was no difference.

Most shippers develop direct relationships with trucking companies & rely on 3PLs.

Q: Which of the following freight provider types do you work with?

n=696

Both	Asset-based carriers	Non-asset-based carriers
49%	39%	12%
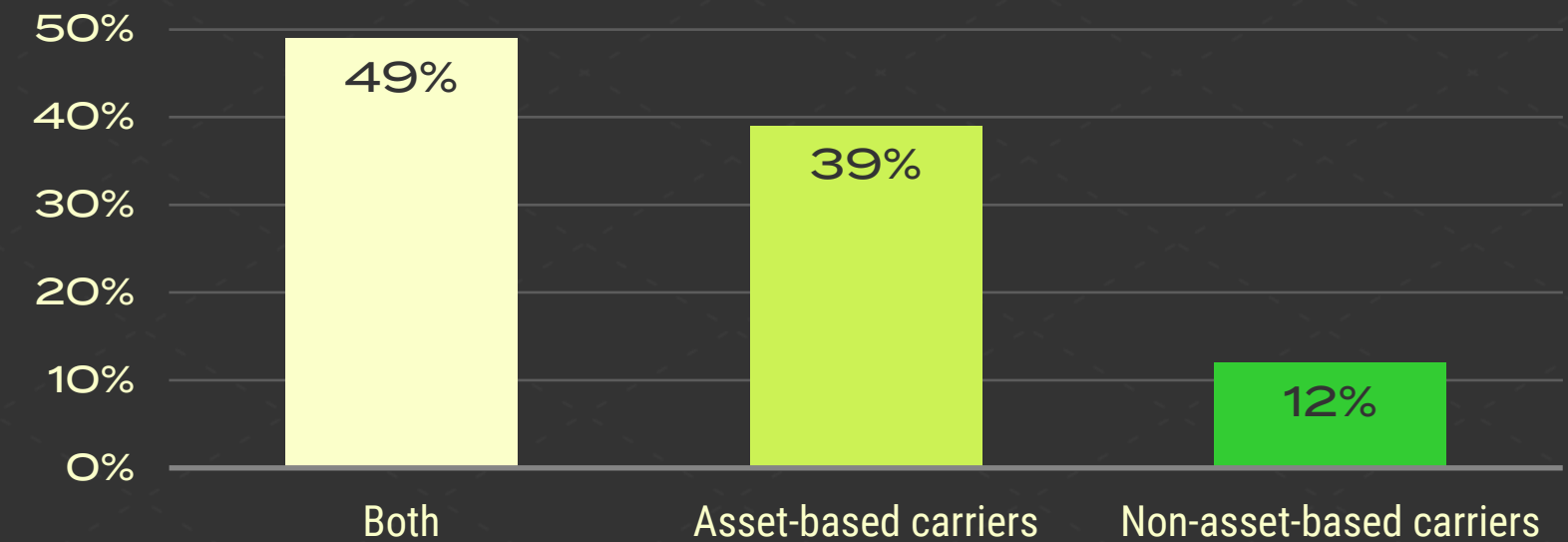
51% of shippers either think there is no difference between the two or prefer 3PLs.

Q: Do you believe there is a difference between non-asset carriers (3PLs) & asset-based carriers when it comes to overall KPI performance?

n=338

No difference	Asset-based carriers generally perform better	Non-asset-based carriers generally perform better
33%	49%	19%
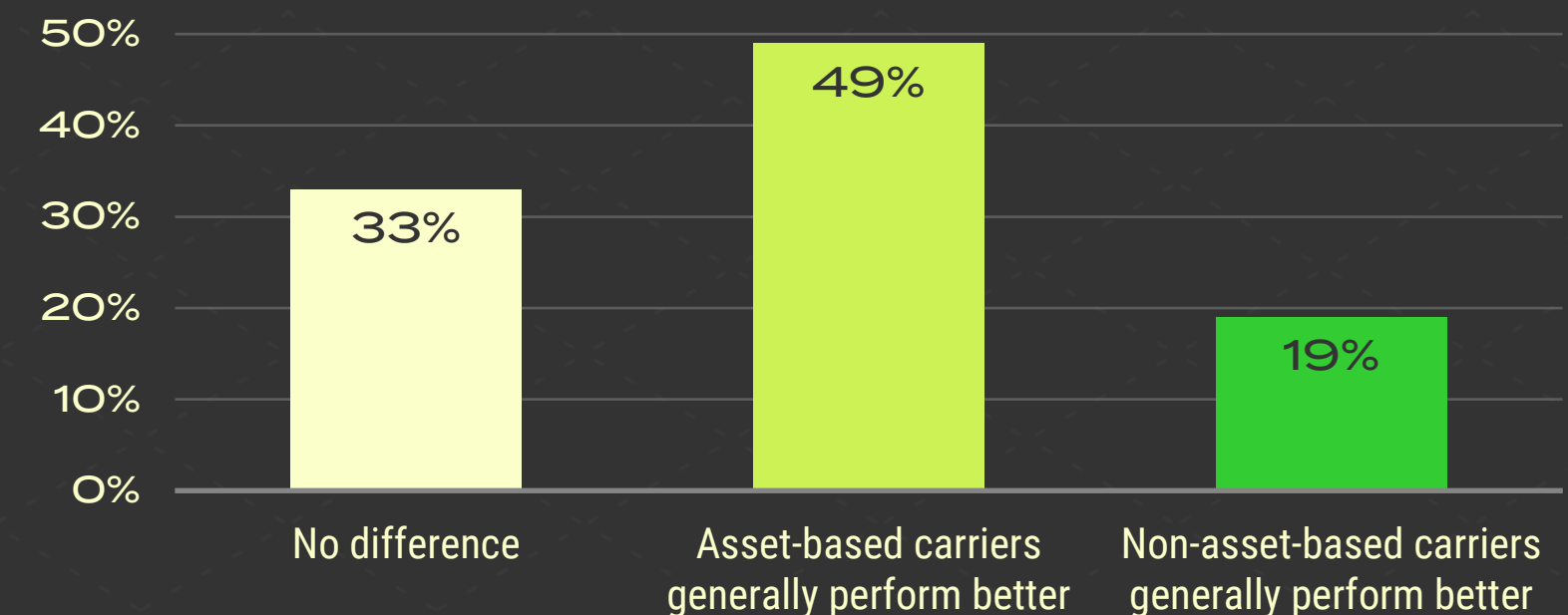
The Right Carrier for the Right Customer

Regardless of whether you have better experience with asset-based carriers or 3PLs, it's essential to use KPIs when deciding how to award your freight.

51% of shippers use carriers' previous performance as part of their bid process every time, while 44% use it some of the time.
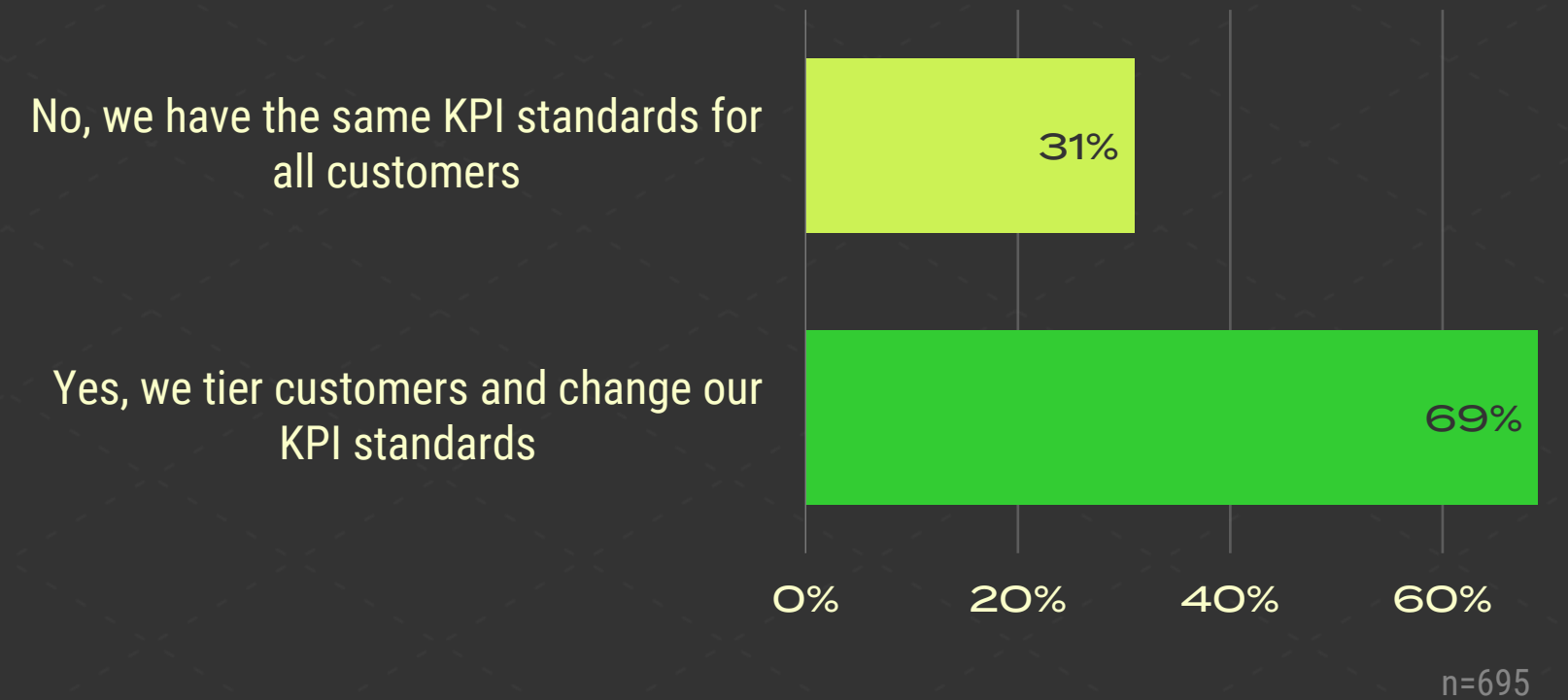
Relying on data will help you get past perception and face facts: Has this carrier been performing for you?

If a provider's service is poor but the rates are low, there may still be a place in your supply chain for them — **69% of shippers tier their customers and adjust KPI standards accordingly.**

By doing this, you can figure out how to allocate capacity in a way that balances cost and service in your supply chain.

Most shippers treat their accounts differently based on individual service standards — this should help when deciding between cost and service.

Q: Do your KPI standards and expectations change for different customers?

No, we have the same KPI standards for all customers — 31%

Yes, we tier customers and change our KPI standards — 69%

0%   20%   40%   60%

n=695

 34

BRINGING IT ALL
TOGETHER

Recapping the top trends in supply chain KPIs.

10 Trends Driving Supply Chain KPIs

Every supply chain professional needs to understand their business's KPIs, track them to the best of their ability and leverage them to drive change in their operations.

This study gives you insight into how your peers, on both the supply and demand side of the market, are using their performance metrics. As you look to prepare your business for an increasingly volatile shipping environment, use these benchmarks to help guide your strategy.

1 Love or hate them, KPIs are essential.
83% of shippers and 85% of carriers agree that logistics KPIs are an essential part of their business management.

2 Few shippers or carriers are KPI beginners, but there is a lot of room for improvement.
When asked to assess their ability to take action on their metrics, only 36% of shippers and 26% of carriers rated themselves as experts.

3 Supply chain volatility is taking its toll.
Only 67% of shippers and 63% of carriers feel like they are consistently able to keep up with their customers' KPI standards.

4 Everything is connected to the internet, yet data is still hard to come by.
Shippers' #1 and #2 overall challenges with KPI management were *getting accurate data* and *getting consistent data*.

5 Despite the rise of tech platforms, manual processes are still king.
When asked which technology tools they use to track and manage KPIs, 56% of shippers and 66% of carriers say they're still using Excel, emails and shared docs.

6 Delivery > pick-up.
While both are important, when forced to choose one, shippers and carriers agree that on-time delivery matters more.

7 Performance > cost.
77% of shippers prioritize high-performance service over cost in their overall supply chain strategy.

8 Everybody wants a standard.
78% of shippers and 74% of carriers believe that there should be set industry standards for logistics KPIs that everyone can agree on.

9 Carriers want a straight answer from shippers.
Carriers' second most common KPI challenge was measuring data against prior performance, and 77% of them think carrier scorecards are a useful tool.

10 Shippers and carriers are on the same page.
From performance expectations to KPI management methods to top challenges, shippers and carriers were generally aligned.

Need Help Managing Your Supply Chain KPIs?

15% of shippers outsource KPI management to a third-party. If you need more help in your supply chain, **you can ask us.**

We provide businesses with a range of shipping solutions, built for their needs.

From fully outsourced supply chain solutions to easy-to-use technology that puts the control in your hands, we have solutions for all of your freight management needs.

Get in touch with a logistics specialist.

Want More Supply Chain Research?

View all of Coyote's original research studies.

ABOUT COYOTE

Coyote Logistics is a leading global third-party logistics provider that has moved business forward with expertise and integrity for over 15 years.

More than 15,000 shippers around the world trust Coyote to move 10,000 loads every day through their comprehensive multi-modal solutions portfolio.

Data intelligence and market insights, reliable support and proprietary technology combine with these solutions to enable smarter supply chain decisions and strategies.

Coyote became a UPS Company in 2015, adding new services and capabilities to their expanding solutions portfolio.

Headquartered in Chicago, Coyote is the trusted global logistics provider that empowers business growth in a rapidly changing world.

For more information, visit coyote.com.