



## Hiding from your performance scores

By John A. Gentle, DLP

ARE YOU OLD ENOUGH TO REMEMBER when teachers used stars—red, blue, silver, and gold—to tell us how well we did on homework or tests? I remember when teachers hung all the scored papers on the wall so everyone could see how well we did or did not do, and I have tried hard to forget a few “see me” notes on some high school tests. Can you remember when the teacher had us score each other’s test papers? I always looked for a friend to score mine. After all, what are friends for?

Certainly computers have given us the ability to track everything—sounds, images, numbers, words, topography, and stars. Some individuals and organizations seemingly have dedicated their lives to keeping track of how poorly the other guy is doing. They like to find ways to publicize information about others from a “glass half-empty” perspective so everyone can see how marginal their performance has been.

It’s also true that some look and report on their own work from a “glass half-full” viewpoint. They judiciously choose either high or reciprocal low percentages and use the appropriate adjectives to present their work experience in the best light possible.

Both groups will use “compounding” to maximize the impact of their information.

So, what is your reporting focus? Do you just report back to the carriers/3PLs on how well they’re doing for you, or do you report on their performance as well as on your commitments to them?

Some shippers say that if their business partners really want to know how well the shipper is doing then they can gather the information and report on it themselves—because it is what it is and there is no value in generating and reporting on/against yourself.

If you report on yourself as well as your carrier, do you use the same criteria or do you present your contribution in a positive manner and their shortfall negatively? If you’re not currently reporting your performance to carriers, there are many good reasons why you should.

First, it would demonstrate to your partners that your commitment is real; it’s neither fictitious nor merely a factor of convenience. Second, it would say that performance improvement belongs to everyone.

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Third, shipper commitment performance reporting (SCPR) can either create differentiation between your company and your competition, or it could simply put you on par with others who are already doing it.

Here are six specific KPIs worthy of your “self-measurement” and process improvement if there is a shortfall:

**Carrier Capacity Utilized:** Measured to the lowest level of detail the shipper committed to and/or you are holding your carriers accountable for.

**Trailers Loaded on Time:** Drop trailers loaded and ready for pickup or live loaded within “x” time of driver arrival.

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**Complete and Accurate Tenders:** Shipments tendered correctly the first time.

**Safe Transit Time Shipments:** Shipments loaded in time for safe delivery.

**Complete and Accurate Freight payment:** Carrier paid accurately without legitimate balance due.

**Carrier Payment Terms Honored:** Mailed/transferred within contracted terms.

In addition to these six individual self-measurements, Shippers of Excellence create a compound shipper commitment performance test to judge their overall process efficiency and then measure it against a pre-established level of satisfaction created by members of their Strategic Carrier Council. The comparison is the strongest single key performance indicator of the level of carrier satisfaction generated by the company’s transactional processes.

Achieving a high compounded performance percentage is not easy. If a company strived for a compounded “A” rating of 94 percent or better, it would need to generate a performance of 99 percent in each of the six measurements. What do you think the compound rating would be if the average performance for each of your six measurements is 90 percent? Is that something that you would be proud of?

So, has your Strategic Carrier Council helped you establish the elements, performance percentages, and levels of satisfaction for your “self measurement?” Carriers are looking for shippers with a strong value proposition. With cost effective service based capacity the goal of every company, how are your chances of positioning your team to win? □