KPI ENCYCLOPEDIA

A Comprehensive Collection of KPI Definitions for
LOGISTICS

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Logistics Metric Definitions

Logistics

Logistics

- Business Acquisition
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- Distribution

Logistics, or Logistics Management, is the process of planning, implementing and controlling procedures for the efficient and effective acquisition, transportation (inbound, outbound and internal movements) and storage of goods from the point of origin to the point of consumption so as to successfully meet the requirements of customers and/or corporations. The resources managed in logistics can include physical items such as food, materials, livestock, equipment, liquids and even information. The logistics of physical items usually involves the integration of information flow, material handling, production, packaging, inventory, transportation, warehousing, and security.

Logistics

KPI Encyclopedia

Cost

- **Customer Transportation Expense per Hundredweight (cwt)** – The total expense incurred through outbound customer transportation activities (deliveries to customers; does not include intra-company deliveries) divided by each one hundred pounds of product delivered to customers over the same period of time.

- **Freight Expense per Mile** – The total freight or trucking expense (includes truck payments, insurance, fuel, permits, truck maintenance, labor, etc.) incurred divided by each mile traveled by fleet assets over the same period of time.

- **Fuel Costs per Ton-Mile** – The total dollar amount of fuel expenses incurred divided by the product of the weight (in tons) of the shipment being transported and the total number of miles it has been transported over the same period of time.

- **Shipping Expense as a Percentage of Total Expense** – The expense incurred through shipping-related activities (compiling customer orders, packaging customer orders, etc.) divided by the total expense incurred by the company over the same period of time, as a percentage.

Quality

- **Fuel Use per Ton-Mile** – The total amount of fuel used divided by the product of the weight (in tons) of the shipment being transported and the total number of miles it has been transported over the same period of time.

- **On-time Customer Order Delivery Rate** – The total number of shipments received by customers on or before the committed ship or delivery date divided by the total number of shipments made over the same period of time, as a percentage.

- **On-time Shipment Readiness** – The total number of orders picked, packed and ready for shipment by the designated shipping time divided by the total number of orders shipped over the same period of time, as a percentage.

- **On-time Supplier Delivery Rate** – The number of orders received from suppliers on or before the committed delivery date divided by the total number of orders received from suppliers over the same period of time, as a percentage.

- **Order Demand Forecast Accuracy** – The number of actual order demands that match the forecasted demand projections for a product divided by the total number of actual order demands made over the same period of time, as a percentage.

Quality (Cont.)

- **Order Error Rate** – The number of customer orders processed that contain at least one error (wrong shipping information, incorrect product, packaging problem, etc.) divided by the total number of customer orders processed, as a percentage.

- **Percentage of Damage Claims** – The number of claims made by customers concerning damaged orders divided by the total number of claims collected by the company concerning problems with customer orders over the same period of time, as a percentage.

- **Planned vs. Actual Mileage** – The percent difference between the actual mileage traveled and the planned mileage traveled over the same period of time. This metric can be analyzed separately for vehicles, drivers or routes taken.

Revenue

- **Revenue Ton-Mile** – The total dollar amount of revenue generated by the company divided by the product of the weight (in tons) of the shipment being transported and the total number of miles it has been transported over the same period of time.

Service

- **Order Shipment Cycle Time** – The number of hours required to process a customer order, from the time when the order is placed until the time the order is shipped by the supplier.

- **Perfect Customer Order Rate** – A composite score calculated by multiplying average on-time delivery rate, complete shipment rate, undamaged shipment rate and correct documentation rate for a certain period of time or group of shipments, as a percentage.

- **Transit Time** – The number of hours (or days) required to arrive at a customer's location/dock, from the time the shipment leaves the company's shipping dock to the time the shipment arrives at the customer's location/dock.

- **Undamaged Customer Order Rate** – The total number of customer orders that are shipped in good condition divided by the total number of customer orders shipped over the same period of time, as a percentage.

Business Acquisition

Business Acquisition

- Lead Generation & Research

- Pricing & Quotations

- Contract Management

Order Management

Master Data Management

Distribution

The Business Acquisition Group is responsible for "onboarding" new customers who need to purchase logistics solutions (warehousing, transportation, etc.) to satisfy their internal (inside the company) and external (customers) demand. This group is typically responsible for developing and nurturing qualified sales leads through a variety of channels (e-mail, newsletters, social media, direct mail, online research, etc.), providing leads with accurate quotes for the products or services purchased, managing discounts, managing contracts, maintaining customer relationships and ensuring that all customer information is compiled in a customer relationship management (CRM) application.

Business Acquisition

KPI Encyclopedia

Cost

- **Cost per Lead: All Channels** – The total cost of marketing advertising campaigns across all platforms (digital, traditional and direct) divided by the number of qualified sales leads generated through these platforms over the same period of time.

- **Cost per Lead: All Digital Channels** – The total cost of marketing campaigns across all digital channels (social media, SEO, paid search, display ads and online video) divided by the number of qualified sales leads generated through digital channels over a certain period of time.

- **Cost per Lead: All Traditional Channels** – The total cost of marketing/advertising campaigns through traditional channels (TV, radio, print and outside ads) divided by the number of qualified sales leads generated through traditional channels over a certain period of time.

- **Cost per Lead: Direct Mail** – The total cost of direct mail campaigns divided by the number of qualified sales leads generated through the direct mail channel over a certain period of time.

- **Cost per Lead: Display Ads** – The total cost of online display advertising campaigns divided by the number of qualified sales leads generated through the display ad channel over a certain period of time.

Cost (Cont.)

- **Cost per Lead: SEO (Organic Search)** – The total cost of search engine marketing (SEO) campaigns divided by the number of qualified sales leads generated through the organic search channel over a certain period of time.

- **Cost-per-Click (CPC): Paid Search** – The average cost of a single click for an ad being run through paid search (e.g., Google AdWords, etc.) over a certain period of time. Segment by keyword, product and audience.

- **Customer Acquisition Cost (CAC): All Channels** – The total marketing and sales expense (wages, advertising spend, overhead) incurred (through all channels) divided by the number of new customers acquired through all available marketing channels over the same period of time.

- **Customer Acquisition Cost (CAC): All Digital Channels** – The total cost of marketing campaigns across all digital channels (social media, SEO, paid search, display ads and online video) divided by the number of new customers acquired through digital channels over a certain period of time.

- **Customer Acquisition Cost (CAC): All Direct Channels** – The total cost of marketing/advertising campaigns through direct channels (email, phone, direct

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