Generic Key Performance Indicators for Operations in Transportation by Trucks.

Author: A. Khramava, MSc, PDEng

**Introduction**

This report describes set of key performance indicators for measuring and target setting with respect to the execution of transportation processes by trucks. The key performance indicators are supportive to the use of the Balanced Score Card approach to translating the mission and strategy of a firm into a complete and consistent set of targets at the operational level. The KPI’s therefore connect to the financial goals of the firm, to the learning and growth goals, and the goals with respect to the customer base.

The KPI’s have been developed for the management of the trucking transportation business of Jan de Rijk BV, and have been generalized for use by other firms in the trucking transportation business. This report describes the resulting generic key performance indicators.

**Scope**

The scope of this design is the operations area in transportation by truck. Regarding the targets in this area, different firms may different lay emphasis on different performance measures; however, the variables that should be measured and the way in which they can be measured can be quite generic. Similarly, the relevant strategic areas and their relationships with the operations areas can be quite similar between different firms, although they can differ in target values and goals. Fig. 1 shows the four foci used in this design structured as a balanced score card.

[ Insert Fig. 1.1 from document here. ]

To position the operations KPI’s we first present a generic strategic map, showing the relationships between the strategic target variables and the operational target variables, then we present the KPI’s grouped from the Balanced Score Card perspective, and finally we present for each KPI the list of generic data components that need to be made available in order to be able to calculate the KPI.

**The Generic Strategy Map.**

We distinguish four strategic areas for which strategic goals need to be formulated: the financial area, the customer area, the operational area, and the learning and growth area. For each of these areas we have identified strategic goals and formulated operational variables that are instrumental to realizing these strategic goals. Figure 2 shows the resulting generic strategic map for trucking transportation firms.

[ Insert Fig 2.1 from document here ]

**The KPI’s from the Balanced Score Card Perspectives.**

For each of the four strategic areas, we have identified a number of operational performance objectives, performance measures, and ways of measurement. Also we have identified the object of measurement, the scope of measurement, and the frequencies of measurement. This has resulted in 22 KPI’s. Figure 3 presents these 22 KPI’s grouped into the four strategic areas.

[ Insert Fig. 1.2 from document here ]

**The KPI’s data structure**

Measuring a KPI requires making calculations from primary data that need to be available from the execution of the operational processes. It is assumed that such data are collected and registered on line with the execution and completion of the activities to which they refer. We have identified for each of the 22 KPI’s the data elements that need to be available in the firm’s data system in order to be able to compute the KPI. For each KPI, these data elements are listed below.