



**The Logistics & Supply Chain
Management Society**
The Regional Professional Body for Logistics Practitioners



**SHIPPERS'
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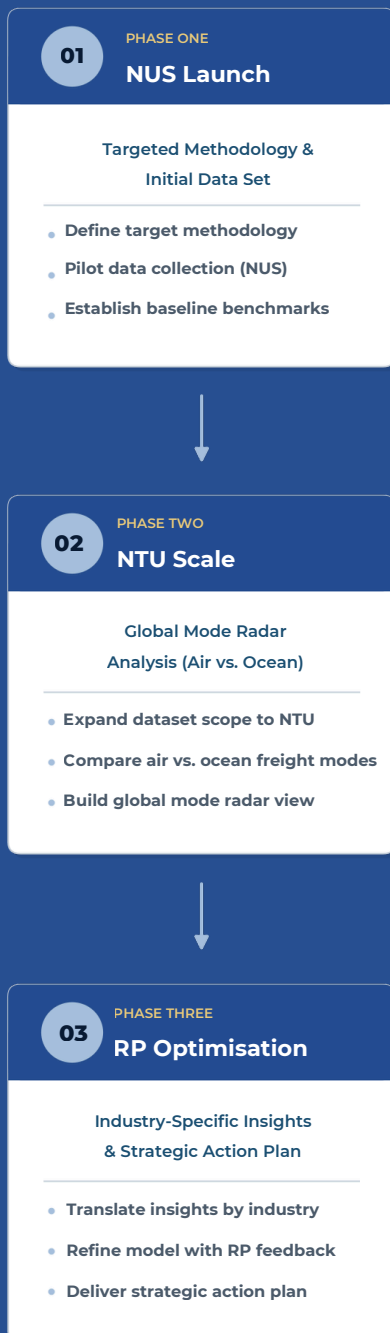
THE KRISHNAN PERFORMANCE INDEX (KPI)

*The world's first independent, shipper-driven
benchmark measuring logistics provider
performance through verified customer experience.*

Executive Summary: The Evolution of The KPI

The KPI (Krishnan Performance Index)—represents a landmark evolution in how the global supply chain industry evaluates third-party logistics providers (3PLs/LSPs).

To ensure the index remains academically rigorous, data-driven, and highly relevant, its operational administration has progressed through strategic partnerships with leading academic and research institutions:



- **Phase 1:** The National University of Singapore (NUS): The foundational phase established the core methodology, proving that shippers spending over USD \$1 million per mode could successfully aggregate anonymous data to grade vendor execution.
- **Phase 2:** Nanyang Technological University (NTU): Collaborating with Dr. Rajesh Piplani, Director of the MSc in Supply Chain at NTU, the index expanded globally. This phase introduced deep-dive evaluations dividing transport modes (Airfreight, Ocean, Warehousing, and Courier) into isolated metrics.
- **Phase 3:** Republic Polytechnic (RP): The most recent optimisation phase refined the analytics, focusing heavily on industry-specific sentiment (Industrial vs. Hi-Tech vs. Lifescience/Consumer), service mode comparisons (Ocean NVOCC vs. Direct Carrier Lines) and identifying the precise friction points driving vendor recommendations.

Target Audience & Participation Gating

To ensure the index yields high-value, enterprise-grade data, participation is strictly limited to verified buyers of logistics services who meet distinct financial and operational thresholds:

Eligible Organisations



Participation is restricted to cargo owners, specifically encompassing shippers, manufacturers, and Beneficial Cargo Owners (BCOs).

Third-party logistics providers (LSPs) themselves are excluded from self-rating to prevent bias.

Minimum Spend Threshold:



Shippers must command a minimum annual freight or logistics spend of USD \$1 million per individual LSP/3PL (Airfreight, Ocean, Warehousing, or Express /Courier) with the specific LSP they are evaluating.

Target Industry Verticals:



The index aggregates data from a robust cross-section of global commerce, primarily focusing on industries with highly complex supply chain requirements, including Hi-Tech, Pharmaceuticals/Lifesciences, Retail, and Major Manufacturing.

Key Strategic Roles:



The primary respondents targeted for data collection are enterprise supply chain executives and decision-makers, including Chief Supply Chain Officers (CSCOs), Global Logistics Directors, Procurement Leads, and Carrier Relationship Managers.

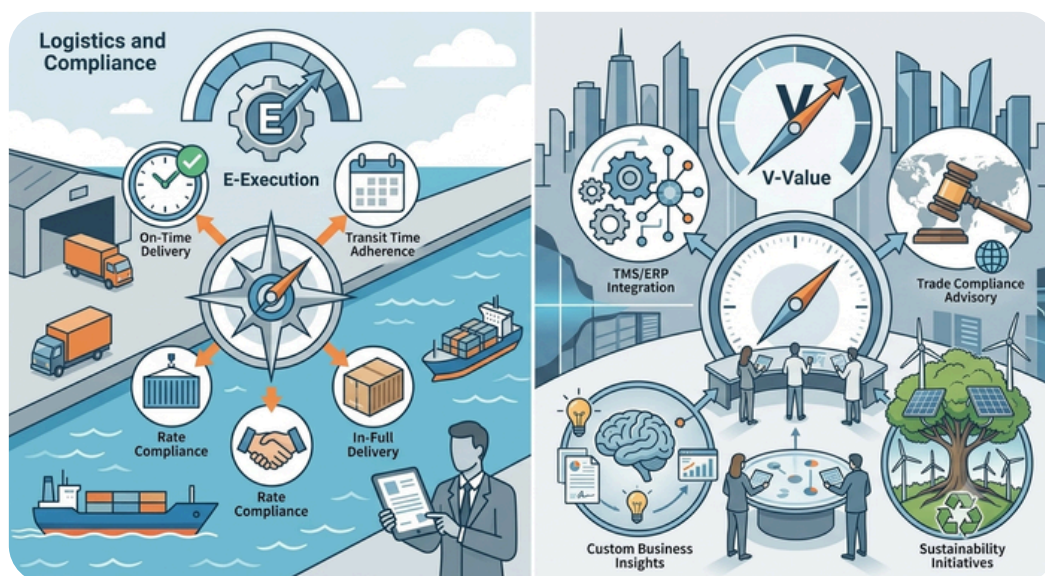
Introduction: What is the Krishnan Performance Index (The KPI)?

The KPI is the world's first entirely non-vendor-sponsored, shipper - driven benchmarking index designed by Dr. Raymon Krishnan, President of The Logistics & Supply Chain Management Society.

In an era characterised by intense supply chain disruptions, soaring freight rates, and volatile performance, shippers have historically struggled to separate subjective perceptions from objective reality. The KPI acts as an empirical equaliser.

The index systematically evaluates LSPs by surveying major beneficial cargo owners (BCOs), manufacturers, and retailers who have a minimum annual spend of USD \$1 million with a particular LSP/3PL. Shippers grade their providers on a scale of 1 to 5 across 14 highly specific criteria, equally split between two operational pillars:

- **The Execution (E) Score:** Measures daily operational hygiene, including On-Time-In-Full (OTIF) delivery, accurate billing, adherence to committed transit times, and compliance with negotiated rates.
- **The Value-Creation (V) Score:** Measures strategic long-term capabilities, focusing on technological system integration (TMS/ERP), advanced predictive data analytics, trade compliance advisory, custom business insights, and active sustainability initiatives.



The ultimate target plotted by the index is the "Ideal LSP"—a provider achieving a perfect 5.0 out of 5.0 on both dimensions, effectively balancing flawless physical execution with transformative digital value.

Strategic Differentiation: Why This Initiative is Unique

Prior to the conceptualisation of The KPI, the logistics industry lacked an uninfluenced benchmarking standard. This initiative remains completely unique for several reasons:



1

Zero Vendor Sponsorship or Pay-to-Play Bias

Traditional industry awards and magazine "Top Lists" are frequently funded, influenced, or sponsored by the marketing departments of the logistics providers themselves. The KPI is completely independent and powered exclusively by verified shipper data.

2

An Aggregated, Anonymised Shield

Shippers are often hesitant to critique their multi-million dollar logistics partners for fear of service retaliation. The KPI aggregates and anonymises all scores. This allows BCOs to see exactly how their provider stacks up against the wider market average, serving as an invaluable, objective tool during Quarterly Business Reviews (QBRs), contract renewals, and rate renegotiations.

3

Volume Does Not Equal Quality

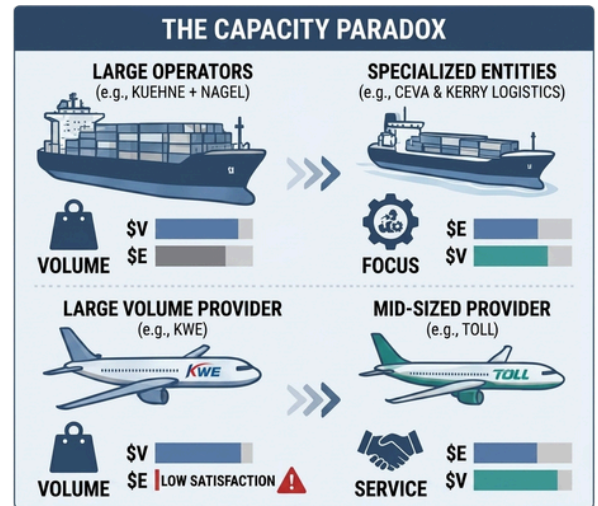
Standard global listings rank 3PLs strictly by revenue or physical capacity (e.g., TEUs moved or metric tons flown). The KPI completely flips this paradigm by measuring customer satisfaction performance, proving that massive size frequently acts as an impediment to nimble, high-value execution.

Longitudinal Trends, Key Findings, and Strategic Recommendations

Data compiled from the index's inception through the latest Republic Polytechnic (RP) in the 2025 analysis reveals critical macro trends across modes and verticals:

A. Size vs. Execution Performance (The Capacity Paradox)

The data demonstrates that a high market share or capacity ranking does not guarantee superior service.

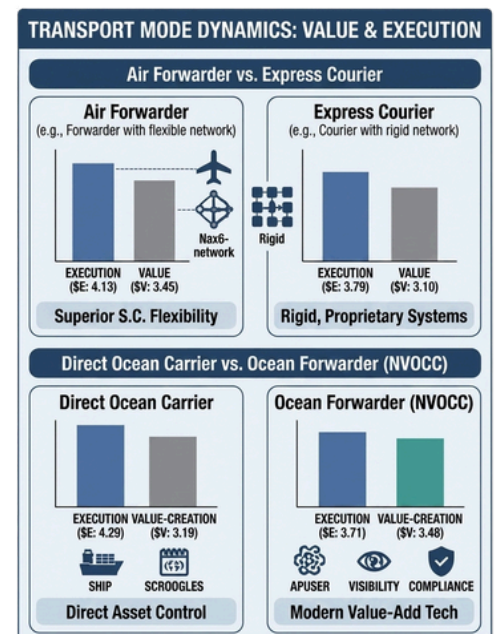


- **Ocean Mode:** Giants like Kuehne + Nagel lead in global container volumes and secure strong value scores (\$V = 4.17\$), but are outpaced in pure operational execution (\$E = 4.11\$) by smaller, highly specialised entities like CEVA Logistics and Kerry Logistics, which optimise resources for target industries.

- **Airfreight Mode:** High-volume providers can experience severe performance lag. For instance, Kintetsu World Express (KWE) occupies a spot in the top 10 global volume rankings, yet recorded exceptionally low customer satisfaction scores (\$E = 2.94\$, \$V = 1.81\$) due to service strain. Conversely, mid-sized providers like Toll Global Forwarding achieved dominant scores (\$E = 4.33\$, \$V = 4.17\$) by prioritising dedicated customer service over raw volume.

B. Transport Mode Dynamics (Air vs. Express & Ocean vs. Carrier)

The index highlights stark operational contrasts when comparing asset-heavy carriers to asset-light forwarders:



- **Airfreight vs. Express Couriers:** Airfreight forwarders significantly outperform Express Small Package Couriers in both Execution (\$4.13\$ vs. \$3.79\$) and Value (\$3.45\$ vs. \$3.10\$). Express networks charge a steep premium and rely strictly on rigid, proprietary systems, whereas Air forwarders offer superior supply chain flexibility by collaborating across multiple carrier networks.

- **Ocean Forwarders (NVOCCs) vs. Direct Shipping Carrier Lines:** Direct ocean carriers score vastly higher in raw physical Execution (\$4.29\$ vs. \$3.71\$) because they own and control the physical vessels and schedules. However, Ocean NVOCC Forwarders drastically win on Value-Creation (\$3.48\$ vs. \$3.19\$) because they provide the modern API/EDI integrations, automated visibility reporting, and trade compliance architectures that asset carriers ignore.

C. Industry Sector Nuances

Shipper expectations vary dramatically depending on the specific vertical market being served:

- **Industrial Shippers:** Tend to give their providers the highest overall marks (\$E \approx 4.05\$, \$V \approx 3.43\$). They value long-term stability and rate adherence. Providers like DHL Global Forwarding and Expeditors represent the preferred choices in this segment.
- **Hi-Tech Shippers:** Present highly polarised feedback. They heavily praise providers that embed dedicated "Operation Control Towers" and account managers, but aggressively penalize LSPs for high product cargo damage rates or volume-based neglect.
- **Life Science & Consumer Shippers:** Proved to be the most critical, demanding, and difficult-to-please segment (\$E \approx 3.82\$, \$V \approx 3.37\$). Due to strict cold-chain, expiration tracking, and regulatory compliance demands, they frequently issue failing grades to LSPs whose digital infrastructure lags behind modern standards. Notable providers like DB Schenker (now DSV) are heavily flagged as "Not Recommended" within this vertical due to these digital compliance gaps.



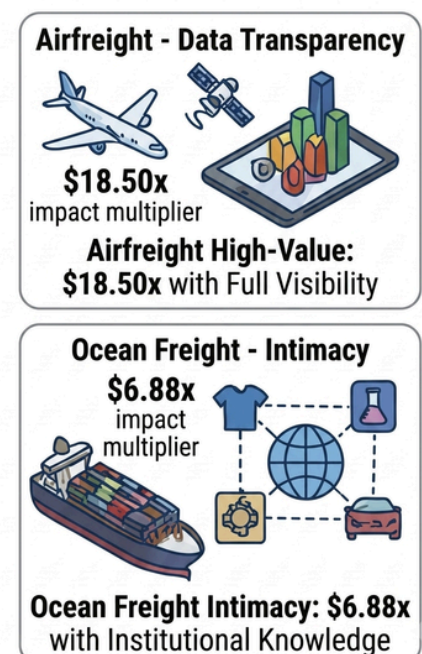
D. The True Triggers of Customer Referrals

Predictive modelling within the index reveals the hidden levers that dictate whether a shipper will recommend an LSP to their industry peers:

Rank of Recommendation Drivers (All Modes)

1. Rate Stability (Adherence to contract quotes) —► [45.05x Impact Multiplier]
2. Sustainability Commitments (ESG alignment) —► [7.84x Impact Multiplier]
3. System Integration (Seamless EDI/TMS/ERP) —► [7.09x Impact Multiplier]

- **Contractual Trust is Paramount:** Respecting negotiated tender rates and avoiding sudden spot-market surcharges is the absolute primary driver of customer loyalty, carrying a staggering 45.05x impact multiplier on peer recommendation likelihood.
- **The Airfreight High-Value Trigger:** For time-sensitive, high-value Airfreight, Full System Visibility and Integration takes over as the single greatest driver of peer recommendation, holding an 18.50x impact multiplier. Shippers accept higher rates if the technology delivers real-time, hands-off data transparency.
- **The Ocean Freight Intimacy Trigger:** For Ocean Freight, a provider's deep institutional knowledge of the shipper's specific business needs yields a 6.88x impact multiplier due to the immense complexity of managing diverse commodity profiles across long global transit horizons.



Comprehensive Strategic Recommendations

Respondents to the KPI receive a custom benchmark report for their company.

The following are some examples of the recommendations or guidance provided to participants:



1

Mandate "Rate Fidelity" in Service Level Agreements (SLAs)

Shippers should leverage the insight that rate non-compliance is the leading cause of fractured relationships. Contract renewals must include strict penalty clauses for unauthorised out-of-quota surcharges.

2

Select LSPs Based on Asset Mix Requirements

If your organisation lacks sophisticated supply chain software, prioritize an Ocean Forwarder (NVOCC) to absorb the technical burden via their value-added systems. If your organisation possesses strong internal software systems but requires absolute cargo space reliability, bypass the middleman and contract directly with Asset Shipping Lines.

3

Audit Tech Capabilities for Time-Critical Cargo

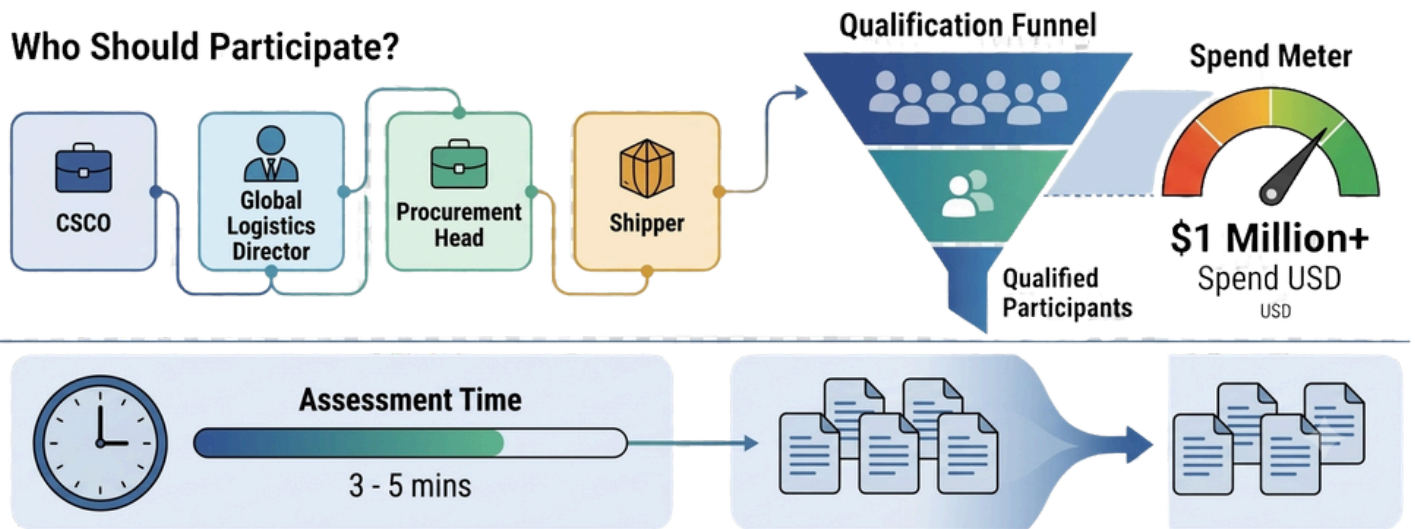
When vetting an Airfreight partner, deprioritise traditional marketing materials and focus exclusively on an automated technical audit of their API infrastructure. If they cannot deliver seamless ERP synchronisation, they fail the primary industry metric for operational success.

Launching the 2026 KPI Index (August 2026)

As supply chain networks face continuous geopolitical shifts, rapid digitisation, and demanding global carbon-neutrality targets, the need for transparent operational benchmarking has never been more urgent.

The Logistics & Supply Chain Management Society, alongside its partners, officially announces the upcoming launch of the 2026 Krishnan Performance Index (The KPI), commencing this August 2026.

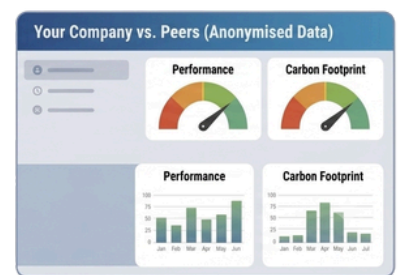
Who Should Participate?



Given multi-modal freight movements, geographic coverage and region or lane specific award criteria a company should be able to assess between 3 – 20 of its service providers. Each assessment takes approximately 3 - 5 minutes to complete and bulk uploading of assessments is possible to reduce the time respondents need to dedicate to complete this important piece of market research.

Why Contribute?

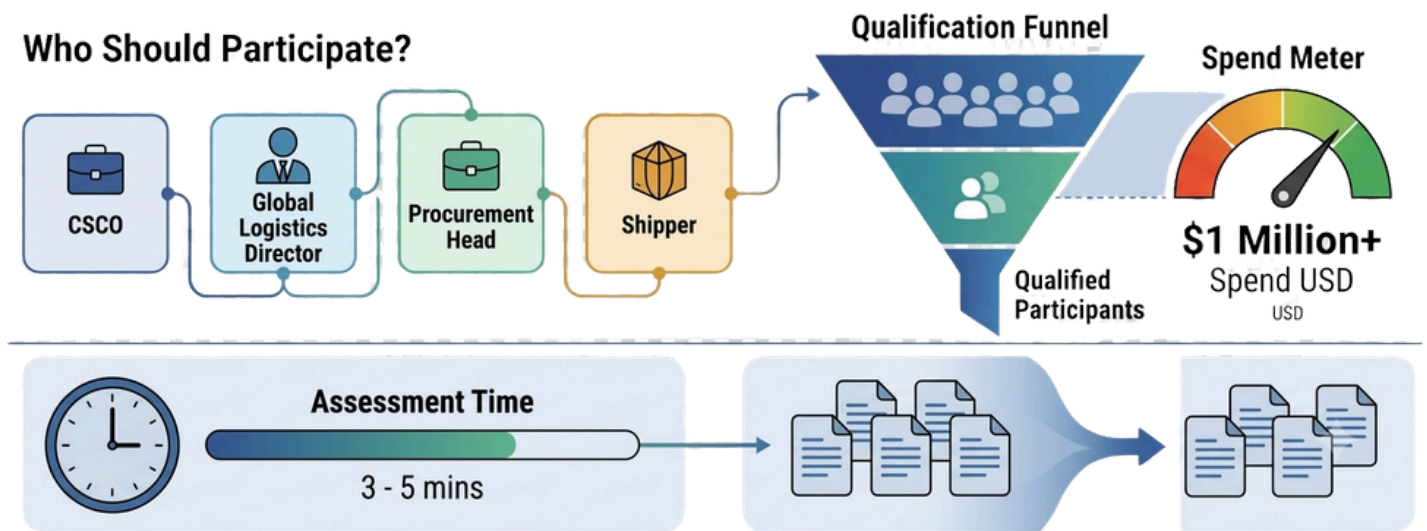
- 1 Receive a Custom Benchmark Report**
Contributing organisations receive an exclusive, comprehensive market report detailing exactly how their specific LSPs score relative to their immediate global competitors.
- 2 Empower Your Vendor Management**
Walk into your upcoming QBRs and contract negotiations armed with unassailable, anonymised industry peer data to drive vendor accountability.
- 3 Shape the Industry Standard**
Join a highly collaborative community of leading shippers spanning the Industrial, Hi-Tech, Pharmaceutical, and Retail sectors to collectively drive global logistics providers toward executional excellence.



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How to Participate in the August 2026 Cycle

Data collection officially opens in August 2026.

The evaluation process realistically takes less than 3 minutes per logistics provider.

Shippers managing large, complex networks can utilize our streamlined batch upload framework by requesting the standardised KPI Data Matrix.

To secure your organization's participation link or to register for the pre-launch briefing session,

Contact the Program Secretariat at:

Edmund Lee

Secretariat - LSCMS

elee@lscms.org

or reach out directly to the LSCMS Shippers Council at

LSCMS Shippers Council

info@lscms.org



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