

**MOTOR CARRIERS**  
Canada's top trucking CEOs  
journey into the unknown

**TECHNOLOGY**  
How telematics are helping  
private fleets get the most  
out of their operations

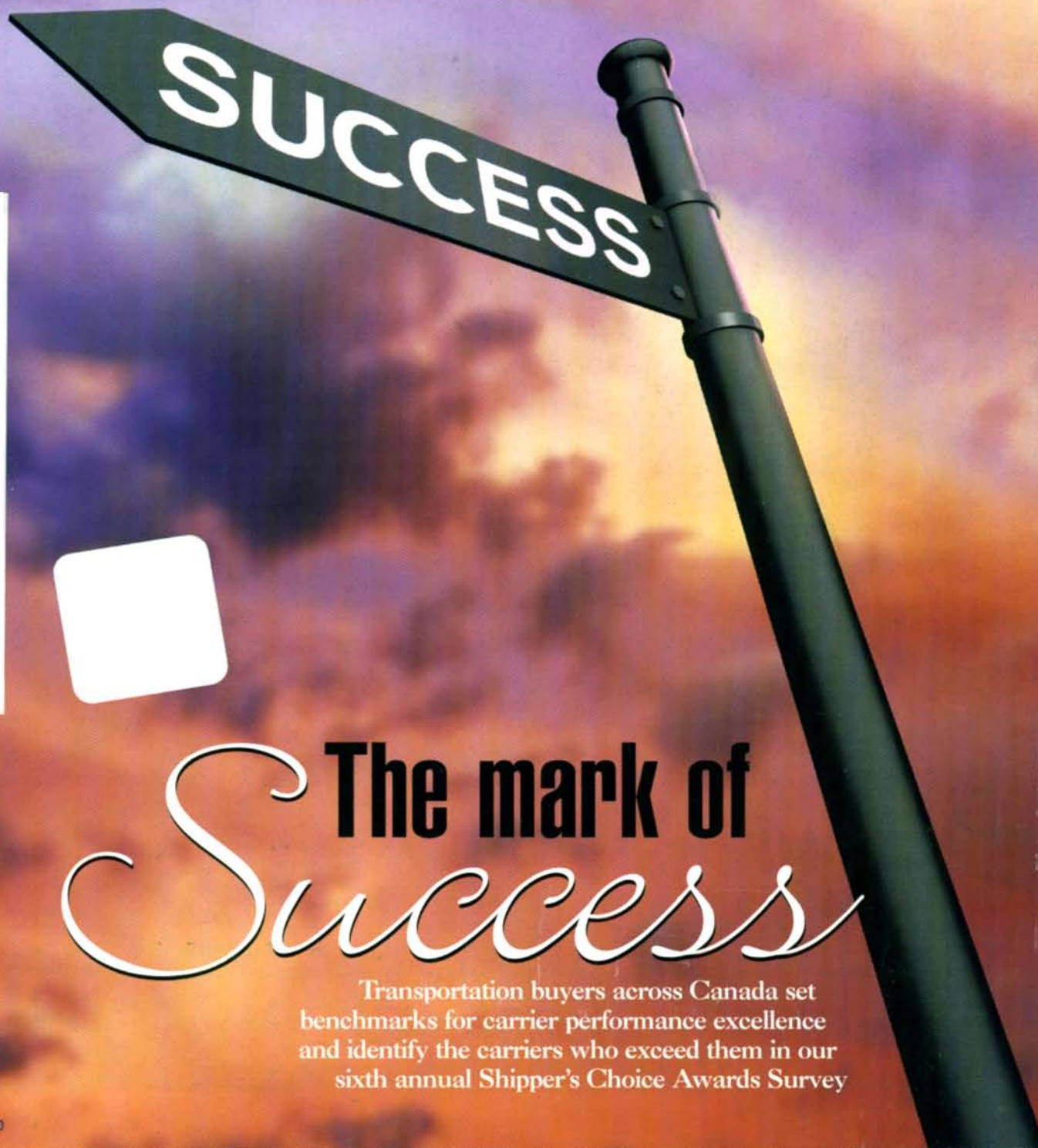
**PERSONAL DEVELOPMENT**  
Do you have the right skills  
to tame time management?

CANADIAN

AUGUST 2007

# Transportation & Logistics

*Published Since 1898*



## The mark of *Success*

Transportation buyers across Canada set benchmarks for carrier performance excellence and identify the carriers who exceed them in our sixth annual Shipper's Choice Awards Survey

CANADIAN  
**Transportation  
& Logistics**

**SUCCESS**

The mark of  
*Success*

Buyers of transportation services across Canada set benchmarks for carrier performance excellence and identify those who exceed them in our sixth annual Shipper's Choice Awards Survey.

conducted in  
partnership with:



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# Shipper's Choice Award

2007

## The mark of success

### Our Sixth Annual Shipper's Choice Awards Survey

sets industry benchmarks for performance excellence and identifies the carriers who exceed them

A total of 48 carriers surpassed the Benchmark of Excellence in our 6th Shipper's Choice Awards Survey, our annual attempt to provide buyers of transportation services with consistent, national and scientifically derived benchmarks of excellence for carrier performance in each mode. Several more carriers were awarded honorable mention for coming within less than a point of the benchmark of excellence.

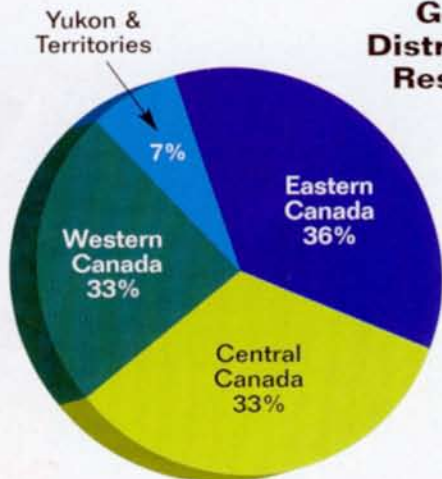
Last year, to celebrate the fifth anniversary of our annual survey, we provided an additional award, honoring the select group of carriers who had scored above the benchmark of excellence for five years in a row. We continue with this particularly prestigious award this year. For more information about this award, which we call "Carrier of Choice", and to see the winners, turn to the final page of this report.

Our survey provides shippers, 3PL service providers and freight forwarders across Canada with the opportunity to set benchmarks for carrier performance on seven key performance indicators (KPIs) and to rate their top carriers against those benchmarks. Aside from identifying the best carriers across all modes through this process, survey respondents also provide clear indications of the different values Canadian buyers of transportation services place on each key performance indicator (KPI) based on mode as well as a comparison of how high these standards are set for each mode. (For example, transportation buyers set their highest standard on information technology for couriers while expecting ocean carriers to live up to the highest standard for competitive pricing – see table at the bottom of this page.)

The importance survey participants place on the KPIs for each mode (based on a five-point scale) is used as a weight in calculating carrier evaluations. Survey participants then rate up to three of their main carriers in each mode (again on a five-point scale.) The final weighted score for each carrier is derived by multiplying the carrier's average performance score by the average importance rating for each key performance indicator for that mode.

Because survey participants are first asked to rate the importance they place on each of the seven KPIs when making their carrier selections, and that data is used as a weight on their carrier evaluations, we feel that the benchmarks set are truly standards of excellence. In other words, carrier performance is judged against an ideal of what shippers expect and the areas given the most weight are the ones that matter most to buyers of transportation services. As a result, of the hundreds of carriers rated in our survey, only a very few are deemed by participants' evaluations as providing a service so superior

**Geographic Distribution of Respondents**



**Respondents by Sector**



#### IMPORTANCE OF PERFORMANCE CRITERIA

Mode	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services
LTL Trucking	4.727	4.179	3.914	4.594	4.624	4.257	3.387
TL Trucking	4.793	4.388	4.001	4.616	4.550	4.228	3.614
Ocean Carriers	4.564	4.371	4.280	4.623	4.552	4.304	3.816
Couriers	4.845	4.288	4.497	4.615	4.633	4.297	3.616
Air Carriers	4.892	4.406	4.416	4.473	4.601	4.366	3.749
Rail Carriers	4.508	4.255	4.157	4.594	4.442	4.149	3.505

# Shipper's Choice Award

2007

that it warrants a Shipper's Choice Award.

Carriers receive the Shipper's Choice Award when their total score meets or surpasses the total benchmark of excellence for their mode. Only those carriers who exceed this benchmark have their names and scores included in the following tables.

Average shipper satisfaction ratings for each KPI are shown in the table below by mode. The final column on the right shows the total benchmark of excellence set for each mode. The benchmarks for each of the seven KPIs per mode are indicated with each modal table on the following pages.

Invitations were sent to more than 6,000 of our readers who are buyers of transportation services in the manufacturing, retail and other sectors as well as to individuals responsible for managing shipments within the freight forwarding and 3PL sectors.

Carriers must receive a minimum number of evaluations in order to qualify for the award. It should be noted that this year winning was made all the more difficult because we raised the number of evaluations necessary to qualify for the award for almost every mode. In order to boost response, carriers were given the opportunity to forward the survey to their own customer lists. Not all carriers chose to do so, however. To prevent tampering, we check for multiple cases submitted by known respondents. If there is more than one case, then only the newest one is considered. Likewise, we check for similar IP addresses. As a final check on tampering, we separate and check the evaluations submitted by participants from our own e-mail list versus the e-mail lists of carrier customers. Winners must have evaluations submitted by transportation buyers from our own e-mail list to qualify for the award.

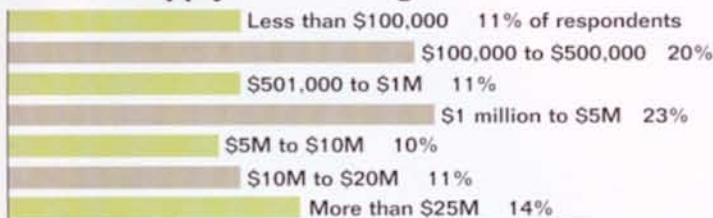
The 2,368 buyers of transportation services participating in this year's survey represents yet another record for participation and we thank all those of you who took the time to complete our survey. (Participants receive an advance electronic copy of the results.) About 10,000 evaluations of carriers providing services in the Canadian market were cast.

As with past years, survey participants represent every region across Canada and buy transportation services for companies with annual sales ranging from less than \$5 million up to more than \$2 billion. Their annual supply chain budgets range from less than \$100,000 up to more than \$25 million. More than a third spend over 70% of their supply chain budgets on transportation.

The Shipper's Choice Awards Survey was undertaken once again in partnership with CITT and the Canadian Industrial Transportation Association (CITA), two associations whose members responsible for the purchase of transportation number in the thousands. And, as in previous years, the research was conducted by an independent research firm (the same research firm that conducts our industry-leading Annual Survey of the Logistics Professional and the Annual Survey of Canadian Third-Party Logistics).

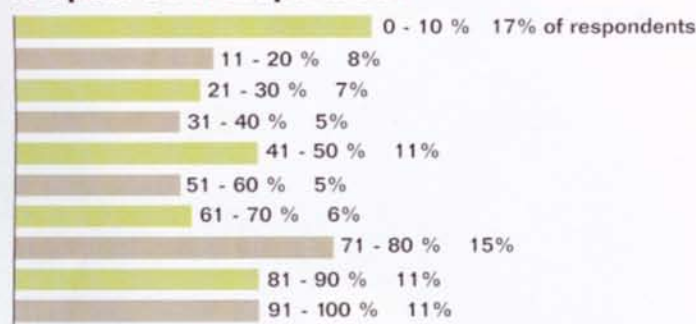
Winning carriers are listed alphabetically, and not by their total score. Those wanting to compare the scores among the winners should keep in mind the high probability that these carriers, although they are being compared to an industry benchmark, have been evaluated by different shippers. This survey is intended as a measure of which carriers exceed industry expectations and not a ranking of the carriers involved.

## Annual Supply Chain Budget



% of respondents

## % Spent on Transportation



% of respondents

## SHIPPER SATISFACTION RATINGS BY MODE

Mode	% using mode	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services	Total satisfaction Score
LTL Trucking	89%	4.143	4.058	3.783	4.021	4.040	3.757	3.748	117.190
TL Trucking	62%	4.325	4.229	3.759	4.123	4.214	3.932	3.697	122.517
Ocean Carriers	25%	4.004	4.003	3.835	3.993	3.940	3.710	3.558	118.125
Couriers	56%	4.172	4.066	3.996	3.875	3.786	3.500	3.437	118.510
Air Carriers	30%	4.166	4.125	3.852	3.838	3.894	3.628	3.539	119.756
Rail	21%	3.311	3.530	3.564	3.487	3.260	2.993	3.012	98.237

Shipper's  
Choice  
Award

2007

# Success in the fast lane

More than 1,300 shippers provided over 2,600 carrier evaluations for the courier category, one of the most challenging modes when it comes to meeting shipper expectations. Obviously on-time performance is a key metric for purchasers of courier services but customer service, competitive pricing and information technology rank close behind. However, in general buyers give couriers their highest service marks for on-time delivery and the state of their equipment and operations. Six companies surpassed the benchmark this year, with one being close enough to warrant honorable mention (HM). All six of the winners were repeat winners. The winners are shown in alphabetical order.

## Annual expenditures on courier transportation



## COURIER AWARD WINNERS

Total no. of shippers evaluating carriers in this mode: 1318 Total carrier evaluations: 2686 Benchmark of excellence: 118.510

Carriers	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services
Armour Transportation	22.772	18.867	19.486	20.768	22.238	19.096	14.981
BAX Global	21.308	18.550	19.625	19.406	20.163	17.287	14.808
Federal Express	21.333	18.366	19.539	117.403	18.370	15.796	12.475
Midland Transport	20.116	17.414	17.426	17.482	17.267	16.380	12.934
Sameday Right-O-Way	21.081	18.173	17.916	19.129	19.449	16.741	13.893
Tiger Courier	20.577	17.203	16.279	19.485	19.218	16.354	13.347
OCS (HM)	19.046	15.831	16.702	17.966	18.699	16.526	13.679
Benchmark of Excellence	20.213	17.435	17.970	17.883	17.541	15.040	12.428

## Annual expenditures on airfreight transportation



% of respondents

## AIR CARRIER AWARD WINNERS

Total no. of shippers evaluating carriers in this mode: 711 Total carrier evaluations: 475 Benchmark of excellence: 119.756

Carriers	On-time performance	Equipment and operations	Information technology	Competitive pricing	Customer service	Problem solving	Value-added services
British Airways	21.586	19.091	19.135	19.757	19.936	18.0321	13.245
Cargojet Canada	22.831	20.193	16.560	16.774	20.323	18.193	13.331
KLM Cargo	23.849	22.030	22.080	20.129	21.855	21.284	18.745
Nippon Express	20.791	18.175	17.112	18.451	20.705	18.010	14.996
Benchmark of Excellence	20.380	18.175	17.010	17.167	17.916	15.840	13.268

# Flying high

More than 700 buyers of air transportation services participated in this segment of the survey. Their highest priority is placed on on-time performance. In fact, air carriers are more under the gun on this metric than any other mode, our research shows. Customer service ranked second on the priority list, followed by competitive pricing. Buyers give air carriers their highest marks for on-time performance and the state of their equipment and operations. The winners and their scores for each of the seven KPIs are shown in the table below. The winners are shown in alphabetical order and only those scoring above the total benchmark of excellence are included.

# Carrier of Choice

## Carriers of Choice

*Consistency of performance deserves a special award*

Carriers are presented with this particularly prestigious award if they have demonstrated the consistency necessary to attain the highest levels of service by surpassing the industry benchmarks of excellence set in the Shipper's Choice Awards Survey for a minimum of five consecutive years. This is a particularly difficult task because aside from having to maintain consistent excellence in their operations, carriers will have to meet a likely rising standard set by shippers from year to year. The carriers named to this elite club this year include:

- BAX
- Midland
- KLM Cargo
- ABF Freight
- Con-way
- MSM
- Day & Ross
- ACL
- FedEx
- Robert Transport
- Penner

This award will continue to be presented from this year onward. To remain part of this exclusive fraternity, carriers must requalify each year by having surpassed the Shipper's Choice Awards benchmark of excellence for five consecutive years.

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Director of Sales, BAX Global Canada

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