

Distribution KPIs

Key Performance Indicators (KPIs)

Key Performance Indicators (KPIs) are indicators of progress that capture an intended result. They are used for strategic and operational improvement, they create an analytical basis for decision making, and they help us understand what metrics matter most. Using KPIs to manage requires that teams develop and set targets (the desired level of performance) and track progress against those targets. Managing warehousing and distribution using KPIs means teams are working to drive efficiencies and build capacity. Below are KPIs you should consider using at your warehouse/distribution center and in your transportation and distribution services.

KPI On Time Departure	
Objective	To measure conformance of the number of truck deliveries that departed the warehouse or distribution center within e.g. (less than) 24 hours of scheduled departure time / within the required date
Measure	Number and percentage of truck deliveries to delivery points that departed the warehouse / distribution center e.g. (less than) 24 hours of scheduled departure time / within the required date
Numerator	Number of vehicles that left the warehouse/ distribution center on time or less than 24 hours of scheduled departure time to service delivery points as per the distribution plan
Denominator	Total number of vehicles to service delivery points per distribution plan.
Data Sources	Vehicle logs, Distribution schedules, Invoices, or proof of delivery (without unexplained endorsements / corrections) indicating dispatch and receipt dates
Data requirements	Schedule of desired departure dates and time, Actual receipt dates according to requisition and issue, Total number of shipments during specified period
Target (%)	99.9
Definition	[Number of vehicles that left the warehouse/ distribution center on time to service delivery points scheduled as per the distribution plan]/ [Total number of vehicles to service delivery points per distribution cycle].

KPI On Time Delivery	
Objective	To measure conformance of the number of deliveries successfully made to service delivery points (health facilities) scheduled to be serviced within the stipulated timeframe in the distribution plan.
Measure	Number and percentage of deliveries that are made on time to service delivery points scheduled to be serviced in a distribution cycle
Numerator	Number of on time deliveries made in full to service delivery points scheduled to be serviced in a distribution cycle
Denominator	Total number of deliveries made in full to service delivery points scheduled to be serviced in a distribution cycle.
Data Sources	Vehicle logs, Distribution schedules, Invoices, or proof of delivery (without unexplained endorsements / corrections) indicating dispatch and receipt dates
Data requirements	Schedule of desired delivery dates, Actual receipt dates according to requisition and issue, Total number of shipments during specified period
Target (%)	99.9
Definition	[Number of completed deliveries/drop off points within the agreed-upon timeline]/ [Total quantity of products delivered per distribution cycle]. The deliveries are counted per health facility not number of proof of deliveries as some health facilities may have more than one proof of delivery depending on the product type. For example, if there are 1,000 customer health facility deliveries within a distribution cycle and 990 of these are successfully delivered to the customer health facilities within the timeframe, then the level of attainment shall be 99% for that cycle.

KPI Submission of Proof of Deliveries (PODs) / Proof of delivery	
Objective	To measure the timeliness of submission of signed PODs after completion of each delivery cycle for last mile distribution
Measure	Number and percentage of submission of PODs completed and signed within agreed timeframe e.g. (48 hrs.) on the completion of a cycle

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Numerator	Actual number of PODs (without unexplained endorsements /corrections) completed, signed, and submitted within (5days) on the completion of all drop offs
Denominator	Expected number of PODs (without unexplained endorsements/corrections) completed, signed, and submitted at the completion of each trip
Data Sources	PODs, POD Log
Data requirements	Delivery schedule, date of last delivery, date of receipt of PODs (working days and hours to be considered)
Target (%)	99.9
Definition	[Total number of PODs submitted to the project] – [Total number of PODs submitted to the project within 24 hours of delivery] / [Total number of PODs submitted to the project per distribution cycle]. For instance, if 1,000 PODs are expected at the end of the distribution cycle and 990 completed and signed PODs (without unexplained mutilations/ corrections) are returned to GHSC-PSM hardcopy or electronically within agreed schedule (48hrs), 99% attainment of KPI will be recorded.

KPI Delivery Accuracy	
Objective	To measure the number of correct, drop off points receiving the correct quantity of product
Measure	Variance between the overall quantity of product ordered for distribution and the actual quantity delivered to the correct drop off points
Numerator:	[Number of correct drop off points receiving the correct quantity of product]
Denominator:	[Total number of drop off points as per the distribution plan]
Data Sources:	Distribution plans, PODs
Data Requirements	Number of correct drop off points receiving the correct quantity of product, Total number of drop off points per the distribution plan
Target (%)	100%
Definition	[Number of correct drop off points receiving the correct quantity of product] / [Total number of drop off points as per the distribution plan]

KPI Product Loss (damage, theft) In – Transit	
Objective	To measure the conformance of stock (value) delivered at services delivery points in acceptable quality versus the total stock (value) dispatched.
Measure	Percentage of value (\$) of products written off because of damage/loss whilst in the custody of 3PL (SP) in the specific distribution cycle
Numerator	Value (in USD) of products written off because of damage/loss whilst in the custody of 3PL(SP) in the specific distributing cycle
Denominator	Total cost (in USD) of throughput in the specific distributing cycle
Data Sources	Visual inspection of products at originating and receiving facility, Distribution schedules, endorsement on the POD
Data requirements	Number of shipments arriving without damage to product or packaging, Total number of shipments during specified period
Target (%)	99.9
Definition	For example, if the landed value of loss/damages/negative Product Variances is US\$1,000 and the landed cost value of throughput for that distribution cycle is US\$100,000 then the level of attainment shall be 99%

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