

# QUEST FOR *Logistics* MANAGEMENT QUALITY

Which carriers and third-party providers soared above the crowd in terms of service performance over the past year? Our readers have cast their votes, and now it's time to reveal the winners of the coveted Quest for Quality Awards.



STUART BRIER

# 27th Annual Quest for Quality Awards

## Rising above the rest

BY **LOGISTICS MANAGEMENT** STAFF

**T**he editorial staff of *Logistics Management* (LM) is thrilled to offer the shipping community the results of the 27th Annual Quest for Quality Awards. This year, 108 providers of transportation and logistics services have received the ultimate vote of confidence, posting the highest scores across our lists of critical service criteria.

For more than a quarter century now, LM's Quest for Quality has been regarded in the transportation and logistics industry as the most important measure of customer satisfaction and performance excellence. To determine the best of the best, LM readers rate carriers and third-party logistics (3PL) companies strictly on the basis of service quality.

And considering the environment in which carriers and 3PLs found themselves operating over the past year, the staff agrees that walking away with a Quest for Quality Award in 2010 just may be one of the greatest accomplishments a transportation and logistics provider has ever achieved.

The Great Freight Recession—which began in December of 2007 and continued into late 2009—had a negative impact on every single segment of the global logistics system as shipment volumes plummeted. And while many carriers struggled to keep their heads above water, the savviest shippers continued to put more pressure on the carrier and 3PL community, demanding closer partnerships and deeper service commitments as they restructured distribution networks to maximize efficiency and minimize miles.

At the same time, those cutting-edge shippers were looking for greener operations plans from their carriers along with improved technology and real-time data flows to afford more complete global visibility from their 3PLs—a tall order considering the business conditions.

What you'll find over the following pages are the carriers and 3PLs that shippers believe have been equal to the task. Quest for Quality winners are voted on by the readers of *Logistics Management*—the customers that put these carriers and providers to the test

around the clock in countries throughout the world.

If fact, this year we had 5,426 logistics and supply chain decision makers wage their votes. The result is eight lists that feature 108 transportation and logistics services provider organizations that have risen above the rest.

### UP, UP, AND AWAY...

But before we hand over any awards, let's take a more detailed look at how we arrive at our list of recipients. One of the best things about the Quest for Quality is that it allows shippers to vote in the genre of services they actually use and fully understand; in turn, they can vote for the providers that they feel have best delivered on quality service in specific niches.

To determine who wins the vote, LM readers evaluate companies in all modes, choosing the top performers in categories including motor carriers, railroad and intermodal services, ocean carriers, airlines, freight forwarders, and third party/contract logistics services. From January through May of

### Performance attributes' importance

Company Type	On-time performance	Value	Information technology	Customer service	Equipment and operations
National/multiregional LTL and surface package carriers	4.7	4.0	2.0	2.6	1.7
Air cargo carriers/air express carriers/freight forwarders	4.7	3.9	2.1	2.7	1.6
Ocean carriers	4.5	4.1	1.9	2.7	1.8
Truckload/van lines/expedited	4.5	3.7	1.6	2.9	2.3
Rail/Intermodal service providers	4.4	4.0	1.6	2.5	2.5
	Carrier selection/ negotiation	Order fulfillment	Transportation/ distribution	Inventory management	Logistics information systems
3PL	4.7	3.3	3.3	2.2	2.5

Source: *Logistics Management*, Peerless Media Research Group

All scores are weighted. Weighted scores are determined by multiplying the average raw scores by the average importance of each attribute (1 = least important; 5 = most important). To find the attributed weights for this category, see the introduction to the Quest for Quality report.



## 27th Annual Quest for Quality Awards

this year, *LM* and our Peerless Media Research Group surveyed readers who are qualified buyers of logistics and transportation services.

This year our research group received 5,426 total responses. In order to be a “winner,” a company had to receive at least 5 percent of the category vote. The result of this overall effort is a crystal clear look at not only the overall winner in any given category, but a broad list of companies that finished well above the average. Here’s how we do it.

Transportation service providers are rated on *LM*’s five key criteria: On-time Performance, Value, Customer Service, Information Technology, and Equipment & Operations. Due to the nature of services offered by third-party players, a different set of criteria is used to judge this category.

Third-party logistics providers are rated on the following attributes: Carrier Selection & Negotiation, Order Fulfillment, Transportation & Distribution,

Inventory Management, and Logistics Information Systems. The evaluation itself is a weighted metric. The scores take into account the importance readers attach to each attribute. Each year, readers are first asked to rank the attributes in each category on a five-point scale, with 5 representing the highest value and 1 representing the lowest value.

Our research team then uses those attributes’ rankings to create weighted scores in each category. For example, readers have historically placed the single highest value on On-time Performance—and they’ve done so again in 2010. If you look at the table on page 21, you’ll see that it was rated between 4.5 and 4.7 across the various categories.

The second most critical attribute again this year was Value, followed by Customer Service. As we found in 2009, shippers are putting equal weight on Equipment & Operations and Information Technology offerings. This is a bit of a surprise considering how many

shippers have told us over the past year that they’re scraping manual/paper-based systems and looking to their providers for more solutions.

After readers have ranked these key attributes in order of importance, they then grade each provider that they currently use on each of the five core Quest for Quality attributes, rating them on a scale of 1 to 3 (1=poor, 2=average, 3=outstanding).

To produce a weighted score, the research team then multiplies the provider’s average scores for each attribute by the attribute’s ranking. Next, the weighted scores are calculated for all five attributes for a given vendor and added together to create an aggregate number. Companies score a quality win when their total scores exceed the average total weighted score in their category. But, remember, providers must receive a minimum number of reader responses to qualify for a win—at least 5 percent of the total base for the category.



# 27th Annual Quest for Quality Awards



## NATIONAL LTL

# Ready for an updraft

EVEN IF YOU HAD CHOSEN to turn a deaf ear to the trucking industry news over the past year it would have been extremely difficult to tune out the plight of the less-than-truckload (LTL) market.

Many LTL carriers simply struggled to maintain their fixed costs as demand levels fell more than 30 percent during the peak of the recession. The vast majority of LTLs simply had to hunker down and enter survival mode in 2009. However, there's good news on the horizon for the LTL market, as reports show that shipment volumes are rising,

overcapacity is easing, and some LTL carrier executives are reporting brisk demand for their services during the first half of 2010.

There's even more good news for the eight carriers list below. According to the readers of *Logistics Management*, not only did these carriers successfully make it through the biggest freight downturn ever recorded, but they were able to deliver world class service during the most trying of times.

Leading the way in the National LTL category this year we find FedEx National posting an impressive 34.52, 1.79 points

above the 32.73 weighted average. Con-way Freight steps into the winners circle for the second year in a row in this category by posting a score of 33.84.

In the Multiregional LTL category, FedEx Freight posted the leading score (36.04), followed by Old Dominion Freight Line (33.33). It's good to see Old Dominion back on the list after missing the cut the past four years. UPS squeaked by FedEx for the second year in a row in the Surface Package category, posting a 37.70.

## National LTL

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
FedEx National LTL	11.01	8.83	4.81	5.78	4.10	34.52
Con-Way Freight	10.99	8.53	4.48	5.87	3.96	33.84
<b>AVERAGE</b>	<b>10.36</b>	<b>8.34</b>	<b>4.54</b>	<b>5.64</b>	<b>3.85</b>	<b>32.73</b>

Source: *Logistics Management*, Peerless Media Research Group

## Multiregional LTL

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
FedEx Freight	11.88	8.80	5.04	6.12	4.21	36.04
Old Dominion Freight Line	10.76	8.65	4.30	5.80	3.82	33.33
UPS Freight	10.51	8.55	4.68	5.63	3.92	33.29
R&L Carriers	10.57	9.08	4.14	5.51	3.75	33.04
<b>AVERAGE</b>	<b>10.38</b>	<b>8.61</b>	<b>4.35</b>	<b>5.54</b>	<b>3.76</b>	<b>32.65</b>

Source: *Logistics Management*, Peerless Media Research Group

## Surface package carriers

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
UPS	12.25	9.53	5.25	6.08	4.39	37.70
FedEx Ground	12.10	9.52	5.13	6.14	4.34	37.23
<b>AVERAGE</b>	<b>11.67</b>	<b>9.37</b>	<b>4.78</b>	<b>5.68</b>	<b>4.15</b>	<b>35.65</b>

Source: *Logistics Management*, Peerless Media Research Group

All scores are weighted. Weighted scores are determined by multiplying the average raw scores by the average importance of each attribute (1 = least important; 5 = most important). To find the attributed weights for this category, see the introduction to the Quest for Quality report.





# 27th Annual Quest for Quality Awards



## REGIONAL LTL

# Steady through tough winds

THE REGIONAL LTL MARKET was certainly not immune to the plight of its broader-reaching National and Multinational brethren. However, *Logistics Management* readers tell us that at least eight Regional LTL carriers were able to keep their service performance levels well

above the rest over the course of 2009.

Leading the way in the Northeast/Mid-Atlantic region once again are A. Duie Pyle (36.18) and Pitt Ohio (36.09) in a close race. In the South/South Central region, Southeastern Freight Lines scored the highest, posting an impressive 36.82.

While in the Midwest/North Central Region Dayton Freight Lines got back into the winner's circle with a 34.84. Lyndon Transport takes home gold for the fifth year in a row in the Western region.

## Northeast/Mid-Atlantic regional LTL

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
A. Duie Pyle	12.20	8.85	4.64	6.35	4.15	36.18
Pitt Ohio	12.03	9.36	4.52	6.08	4.11	36.09
Ward Transport Logistics	11.56	9.10	4.37	6.03	3.96	35.01
<b>AVERAGE</b>	<b>11.47</b>	<b>8.84</b>	<b>4.34</b>	<b>5.97</b>	<b>3.95</b>	<b>34.57</b>

Source: *Logistics Management*, Peerless Media Research Group

## South/South Central regional LTL

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
Southeastern Freight Lines	12.16	9.80	4.52	6.18	4.16	36.82
Averitt Express	11.61	8.91	4.51	5.88	4.15	35.06
<b>AVERAGE</b>	<b>11.39</b>	<b>9.16</b>	<b>4.30</b>	<b>5.87</b>	<b>3.96</b>	<b>34.69</b>

Source: *Logistics Management*, Peerless Media Research Group

## Midwest/North Central regional LTL

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
Dayton Freight Lines	11.10	9.62	4.11	6.11	3.88	34.82
USF Holland	11.09	9.10	4.35	5.85	3.88	34.27
<b>AVERAGE</b>	<b>10.74</b>	<b>9.31</b>	<b>4.11</b>	<b>5.77</b>	<b>3.81</b>	<b>33.75</b>

Source: *Logistics Management*, Peerless Media Research Group

## Western regional LTL carriers

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
Lyndon Transport	11.75	8.73	4.80	6.38	4.02	35.68
Oak Harbor Freight Lines	11.85	9.28	3.96	6.16	4.00	35.24
<b>AVERAGE</b>	<b>10.94</b>	<b>8.76</b>	<b>4.08</b>	<b>5.76</b>	<b>3.81</b>	<b>33.34</b>

Source: *Logistics Management*, Peerless Media Research Group

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# 27th Annual Quest for Quality Awards



## TRUCKLOAD

# Fast and nimble

THE TRUCKLOAD (TL) market has always been pretty nimble. When the freight downturn started to hit in earnest in early 2007, the TL sector was one of the first to respond by quickly shedding capacity at break-neck speed.

And when volumes and rates both dropped, the TL sector found itself

diversifying to a point that it broke away from its typecast role in the dry van freight game and dipped its toes into other transportation segments—even hauling smaller, “kick-on” loads. Today, TL carriers are realizing that it pays to diversify.

By all reports, the TL sector is

already rebounding from the dismal freight recession; and according to *LM* readers, here are the 28 long-haul carriers that were able to stay true to their service promises over the past year.

## Industrial and heavy-haul carriers

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
Mullen Trucking	10.80	9.62	3.20	6.96	5.06	35.64
Prime, Inc	10.38	8.02	3.60	6.77	5.56	34.33
Roehl Transport	10.35	8.46	3.28	6.63	5.59	34.30
Tri-State Motor Transit	10.80	8.33	3.20	6.53	5.18	34.03
Landstar Carrier Group	10.00	8.26	3.49	6.53	5.31	33.59
<b>AVERAGE</b>	<b>10.01</b>	<b>7.97</b>	<b>3.30</b>	<b>6.34</b>	<b>5.25</b>	<b>32.87</b>

Source: *Logistics Management*, Peerless Media Research Group

## Dry freight carriers

Weighted Scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
USF Glen Moore	11.25	8.72	3.54	6.92	5.26	35.69
CRST Van Expedited	10.88	8.94	3.34	6.55	5.19	34.89
Heartland Express	10.80	7.86	3.57	6.54	5.52	34.30
Con-way Truckload Services	10.54	7.92	3.61	6.64	5.41	34.12
Landstar Carrier Group	10.89	8.06	3.26	6.58	5.33	34.11
Crete Carrier Corp.	9.79	7.74	3.45	6.25	5.30	32.53
<b>AVERAGE</b>	<b>9.88</b>	<b>7.72</b>	<b>3.38</b>	<b>6.20</b>	<b>5.11</b>	<b>32.28</b>

Source: *Logistics Management*, Peerless Media Research Group

## Expedited motor carriers

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
Pitt Ohio Express	11.57	9.20	3.93	7.21	5.65	37.56
FedEx Custom Critical	12.28	7.35	4.30	7.34	5.91	37.19
A.Duie Pyle, Pyle Priority	11.42	8.79	3.69	7.08	5.70	36.68
USF Holland	11.25	9.13	3.67	6.51	5.57	36.13
UPS	10.75	8.35	4.06	6.46	5.71	35.33
Landstar Express America	11.33	7.89	3.52	6.70	5.79	35.23
OD Expedited	10.29	8.33	3.96	7.11	5.41	35.08
<b>AVERAGE</b>	<b>10.80</b>	<b>8.24</b>	<b>3.80</b>	<b>6.63</b>	<b>5.48</b>	<b>34.96</b>

Source: *Logistics Management*, Peerless Media Research Group

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# 27th Annual Quest for Quality Awards

## Bulk motor carriers

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
Ruan Transport	11.14	8.63	3.58	6.90	5.80	36.07
Trimac Transportation	11.08	8.25	3.45	7.14	5.84	35.75
Groendyke Transport, Inc.	11.00	8.22	3.40	6.16	5.18	33.96
Prime, Inc.	10.21	7.97	3.63	6.47	5.66	33.94
Bulkmatic Transport	10.42	8.27	3.20	6.34	5.55	33.78
Superior Carriers	10.80	7.14	3.43	6.84	5.26	33.46
<b>AVERAGE</b>	<b>10.30</b>	<b>7.92</b>	<b>3.37</b>	<b>6.34</b>	<b>5.37</b>	<b>33.31</b>

Source: *Logistics Management*, Peerless Media Research Group

## Household goods and high-value goods carriers

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
United Van Lines	11.14	8.02	3.82	7.41	6.22	36.62
Allied Van Lines	10.76	8.24	3.27	7.04	5.70	35.01
Suddath Companies	10.50	8.63	3.73	6.77	5.37	35.00
Atlas Van Lines	10.69	8.46	2.97	7.04	5.59	34.74
<b>AVERAGE</b>	<b>10.33</b>	<b>8.01</b>	<b>3.36</b>	<b>6.92</b>	<b>5.59</b>	<b>34.21</b>

Source: *Logistics Management*, Peerless Media Research Group

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# 27th Annual Quest for Quality Awards



## RAIL

# Staying on track

WHILE THE RECESSION FINALLY caught up to the rail industry over the course of 2009, it appears that carriers are on track to make a steady, sustainable recovery. As Group News Editor Jeff Berman reported in our annual report last month, the first half of 2010 saw strong first quarter earnings and volumes ticking well ahead of where they were a year ago.

But while the recent volume numbers are encouraging for the front office, it's important to keep in mind that the early 2010 volume numbers are still lagging 2008 levels by roughly 10 percent to 12 percent on the carload side and 7 percent to 10 percent on the intermodal side. However, it appears that the railroads are starting to make

up this ground and are even ready to step up operations and infrastructure investment designed to continue to improve shipper relations.

According to *LM* readers, there are plenty of rail and intermodal service providers that are doing just fine with their customer relations despite the continued reports of shipper concerns over escalating rates. In fact, readers tell us that five Rail/intermodal services providers have made the grade this year along with seven Intermodal Marketing organizations.

Leading the way in Rail/Intermodal for 2010 is Triple Crown Services with a score of 34.74. Triple Crown posted category-high marks in On-time performance (10.61), Value

(9.89), and Equipment & Operations

(5.74). This year marks the fifth straight Quest for Quality Award for Triple Crown, BNSF Railway (33.32), and Norfolk Southern (33.06).

In the Intermodal Marketing category this year, J.B. Hunt posted the highest score for the second year in a row (34.08), followed closely by CSX Intermodal (33.82), C.H. Robinson (33.49), and Hub Group (33.48). It's interesting to note that while this market tends to be one of the more scrutinized in terms of service by shippers, the weighted averages stayed pretty much level with 2009 scores.

## Rail/intermodal service providers

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
Triple Crown Services	10.61	9.89	3.20	5.30	5.74	34.74
BNSF Railway	10.35	8.44	3.48	5.46	5.58	33.32
Norfolk Southern	10.25	8.44	3.43	5.25	5.70	33.06
CSX Transportation	9.63	8.38	3.59	5.19	5.56	32.35
Union Pacific	9.81	8.15	3.54	5.14	5.52	32.17
<b>AVERAGE</b>	<b>9.80</b>	<b>8.35</b>	<b>3.34</b>	<b>5.12</b>	<b>5.41</b>	<b>32.02</b>

Source: *Logistics Management*, Peerless Media Research Group

## Intermodal marketing companies

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
J.B. Hunt Intermodal	10.25	9.04	3.47	5.46	5.87	34.09
CSX Intermodal	10.00	9.29	3.59	5.52	5.43	33.82
C.H. Robinson	9.63	9.21	3.50	5.73	5.43	33.49
Hub Group	9.70	9.15	3.60	5.35	5.68	33.48
Exel	9.86	8.55	3.14	5.71	5.36	32.63
Alliance Shippers	9.68	8.57	3.26	5.69	5.33	32.53
Landstar Logistics	9.68	8.70	3.37	5.44	5.30	32.49
<b>AVERAGE</b>	<b>9.54</b>	<b>8.75</b>	<b>3.35</b>	<b>5.39</b>	<b>5.41</b>	<b>32.45</b>

Source: *Logistics Management*, Peerless Media Research Group

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# 27th Annual Quest for Quality Awards

## OCEAN CARRIERS

# Reaching new heights

OCEAN CARRIER EXECUTIVES couldn't wait for 2009 to end. Over that perilous year on the high seas, carriers were getting beat up on rates as containers and chassis were easy to locate, there was record over capacity, and shippers made their way to the negotiating table with a boat load of leverage—and they were more than willing to use it.

**While shippers are going to have to plan their routes and budgets more strategically, carrier executives can finally take a deep breath.**

How quickly times have changed. As Executive Editor Patrick Burnson reported last month in our annual report, shippers are now scrambling for space and are going to get squeezed on rates when they find it. In his daily reporting on [logisticsmgmt.com](http://logisticsmgmt.com), Burn-

son has been documenting the shortage of containers caused by the exceptional high demand for ocean services since the Chinese New Year back in February. Analysts say that the shortage has now reached "critical levels."

In the meantime, spot prices for transpacific shipping services have grown by more than 180 percent dur-

ing the past 12 months to reach a five-year high—something the analysts are describing as a "mini container-shipping boom." And while shippers are going to have to plan their routes and budgets more strategically, carrier executives can finally take a deep breath—espe-

cially the select group that *LM* readers have placed in the Quest for Quality winners circle.

This year we find 14 ocean carriers scoring better than the overall weighted average of 31.48 to bring home the gold. Setting the pace this year is Wallenius Wilhelmsen with a score of 33.95. The carrier put up top marks in Value (9.23) and Customer Service (6.53) on its way to pole position.

However, it was a very tight race year, with the top six carriers being separated by less than a full point. Pulling in just behind Wallenius we find Matson Navigation (33.69). Matson put up the best On-time Performance number in the category (11.33) and finds itself on the winner's podium for the eighth straight year. Meanwhile, Maersk Line took top honors in Information Technology (4.28) and Equipment & Operations (4.22) this year.



## Ocean carriers

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
Wallenius Wilhelmsen	10.50	9.23	3.80	6.53	3.90	33.95
Matson Navigation	11.33	8.34	4.24	5.76	4.02	33.69
Horizon Lines	10.67	9.04	4.02	5.72	3.86	33.32
Seaboard Marine	10.93	8.95	3.80	5.65	3.93	33.25
Maersk Line	10.68	8.31	4.28	5.75	4.22	33.24
Crowley Liner Services	10.35	8.91	3.80	5.94	4.06	33.06
Hamburg-Sud	10.53	8.98	3.62	5.71	4.01	32.86
"K" Line America Inc.	10.71	8.42	3.80	5.98	3.79	32.69
OOCL	10.46	8.96	3.96	5.44	3.78	32.59
APL	10.39	8.35	4.12	5.57	4.08	32.52
Hanjin Shipping	10.07	8.81	3.92	5.73	3.89	32.42
Sea Star Line	9.47	8.92	3.69	5.85	4.20	32.14
Evergreen Line	10.03	8.88	3.92	5.36	3.89	32.08
Atlantic Container Line	9.90	8.31	3.80	5.88	3.93	31.82
<b>AVERAGE</b>	<b>9.92</b>	<b>8.48</b>	<b>3.80</b>	<b>5.45</b>	<b>3.84</b>	<b>31.48</b>

Source: *Logistics Management*, Peerless Media Research Group

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# 27th Annual Quest for Quality Awards



3PL

## Gaining altitude

AS THE 2009 REVENUE picture for the global logistics and transportation sector slowly revealed itself over the first half of the year, we reported that even the burgeoning superstars of the industry—third party logistics providers (3PLs)—failed to escape the crushing blow levied by the Great Freight Recession.

## Business is picking up for global and domestic 3PLs overall.

According to Armstrong & Associates' 2010 *U.S. and Global Third-Party Logistics Analysis*, 2009 was not a pretty year for 3PLs at home or abroad.

As Executive Editor Patrick Burnson reported in last month's annual report, U.S. 3PL market gross revenues decreased 16 percent in 2009, with the international transportation management segment of the 3PL services market taking the biggest hit. Its gross revenue fell 23.7 percent as total U.S. import and export ocean twenty-equivalent units (TEUs) dropped 12.3 per-

cent. And as prices dove in the face of soft demand, net revenues for airfreight shrank by 18.9 percent

But like every other service sector that we measure in the Quest for Quality, business is picking up for global and domestic 3PLs overall. In fact, we've reported that first quarter 2010 results have included double digit improve-

ments in the international transportation management sector; while Richard Armstrong, author of the 2010 analysis, is boldly predicting a market recovery that will restore the 3PL market to 2007 levels.

There's even more positive news in store for the management teams of the 3PLs listed on this page. According to *LM* readers, these providers were able to maintain world-class service levels in the face of sinking revenue levels.

For the second year in a row Unyson Logistics (Hub Group) outpaced

the field by more than eight points, posting a

very impressive 43.87—the single highest weighted score of the 2010 Quest for Quality survey. FedEx Supply Chain Services followed right behind Unyson with a solid 34.89, taking a close second in Carrier Selection/Negotiation (8.43) and Inventory Management (4.90).

UPS Supply Chain Solutions put up the second most notable score in Order Fulfillment (7.82), while ADP Logistics (A. Duie Pyle) racked up the second best score in the important Transportation Distribution attribute category (8.16).

Of note, 2010 marks the fifth year in a row that Averitt Express Supply Chain Solutions (32.86) has won Quest for Quality gold in this category, while this marks the second year in a row that Ryder Supply Chain Solutions (33.03), FedEx Supply Chain Services, UPS Supply Chain Solutions, and Excel (32.75) will step up to the podium to accept an award.

### Third-party logistics companies

Weighted scores

	Carrier selection/ negotiation	Order fulfillment	Transportation distribution	Inventory management	Logistics information systems	Weighted score
Unyson Logistics (Hub Group)	10.63	9.67	9.84	6.36	7.38	43.87
FedEx Supply Chain Services	8.43	7.68	7.85	4.90	6.03	34.89
ADP Logistics (A. Duie Pyle)	8.28	7.43	8.16	4.71	5.47	34.05
UPS Supply Chain Solutions	8.00	7.67	7.61	4.78	5.69	33.75
Agility	7.89	7.82	7.46	4.89	5.48	33.53
Transplace	8.50	7.18	7.54	4.40	5.63	33.25
Ryder Supply Chain Solutions	8.26	7.17	7.81	4.71	5.08	33.03
Averitt Express Supply Chain Solutions	7.89	7.47	7.70	4.68	5.13	32.86
Pilot Freight Services	7.89	7.33	7.50	4.66	5.44	32.82
Echo Global Logistics	8.21	7.50	6.89	4.61	5.57	32.77
Excel	7.90	7.30	7.36	4.60	5.58	32.75
APL Logistics	8.10	6.91	7.49	4.56	5.42	32.48
<b>AVERAGE</b>	<b>7.97</b>	<b>7.18</b>	<b>7.38</b>	<b>4.64</b>	<b>5.27</b>	<b>32.44</b>

Source: *Logistics Management*, Peerless Media Research Group

All scores are weighted. Weighted scores are determined by multiplying the average raw scores by the average importance of each attribute (1 = least important; 5 = most important). To find the attributed weights for this category, see the introduction to the Quest for Quality report.



# 27th Annual Quest for Quality Awards



## AIR CARRIERS

### Up, up, and away...

TALK ABOUT A TURNAROUND. All of sudden the air has smoothed and the ash has cleared, and air cargo carriers are back up at a much more comfortable operating altitude—and yes, this has happened relatively quickly.

As Karen Thuermer, our air freight correspondent, reported last month in our annual report, it was only back in March that the International Air Transport Association (IATA) projected a \$2.8 billion loss in 2010 for the industry. The IATA has corrected its forecast since then and now predicts a \$2.5 billion profit, with cargo volume growth now projected to hit 18.5 percent from the previously forecast 12 percent. To top it off, IATA expects airline revenues to reach \$545 billion, up from \$483 billion in 2009.

However, the IATA warns that the air recovery “remains fragile,” with net margins still hovering around 0.5 percent. And while the IATA remains cautious, global air cargo executives are welcoming any positive news as they enter a new era of market and currency volatility, security and regulatory challenges, and fluctuating oil and fuel markets.

But even though the air cargo market is just now pulling out of one of the toughest operational periods in history, *LM* readers have justly rewarded those air carriers that were able to keep their wings up and their service flying high over the past year.

This year we find nine air cargo winners making the trip back to the podium from our 2009 survey and three that have

climbed back after missing the cut over the past

few years. Southwest Airlines leads the pack again with a very impressive 39.50. Southwest put up top marks in On-time Performance (13.13), Value (10.76), and Equipment & Operations (4.00).

Virgin Atlantic pulled up to gate second posting a 37.68 and tied with Southwest for top honors in Customer Service (6.98), while Singapore Airlines offered the leading Information Technology (5.12). The readers of *LM* welcome Alaska Air Cargo (34.99), US Airways (34.41), and American Air Cargo (33.60) back to winners circle this year after falling just short over the past several years.

## Air cargo carriers

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
Southwest Airlines	13.13	10.76	4.64	6.98	4.00	39.50
Virgin Atlantic	12.29	9.60	5.08	6.98	3.73	37.68
Singapore Airlines (SIA)	12.48	9.10	5.12	6.85	3.84	37.40
Nippon Cargo Airlines	12.28	9.10	4.58	6.05	3.64	35.65
Alaska Air Cargo	12.09	8.83	4.67	5.54	3.87	34.99
Japan Airlines	11.84	8.42	4.81	6.08	3.78	34.93
Lufthansa	11.83	8.28	4.94	6.03	3.83	34.90
KLM	11.22	9.05	4.68	6.16	3.73	34.85
US Airways	11.28	9.14	4.67	5.69	3.63	34.41
Emirates SkyCargo	11.31	9.05	4.54	5.61	3.75	34.27
EVA Cargo	11.19	8.69	4.83	5.79	3.58	34.07
American Air Cargo	10.97	8.43	4.53	6.18	3.56	33.67
<b>AVERAGE</b>	<b>11.01</b>	<b>8.51</b>	<b>4.60</b>	<b>5.87</b>	<b>3.60</b>	<b>33.60</b>

Source: *Logistics Management*, Peerless Media Research Group

## Air express carriers

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
FedEx Express	12.25	8.73	5.43	6.37	4.06	36.83
UPS	11.54	8.71	5.31	6.12	3.99	35.68
<b>AVERAGE</b>	<b>11.11</b>	<b>8.56</b>	<b>4.84</b>	<b>5.77</b>	<b>3.76</b>	<b>34.03</b>

Source: *Logistics Management*, Peerless Media Research Group

All scores are weighted. Weighted scores are determined by multiplying the average raw scores by the average importance of each attribute (1 = least important; 5 = most important). To find the attributed weights for this category, see the introduction to the Quest for Quality report.



# 27th Annual Quest for Quality Awards



## FREIGHT FORWARDERS

# Clearing skies ahead

THE HEALTH OF THE OVERALL freight forwarder market has been historically linked to the state of the global economy. Way back in early 2008—a period of time that seems like ancient history—ocean and air freight volumes were increasing at double digit rates, while the freight forwarders, along with the ocean and air cargo carriers that answered their calls, were enjoying what Shakespeare would have called “their salad days.”

During the second half of 2008 the global economy hit the breaks and global freight forwarders were quickly ushered into a new era. The U.S. economy grew even weaker, the sub-prime debt crisis reverberated around the world, and consumer confidence sunk to new lows. In turn, freight volumes fell off the proverbial cliff.

It was around that time that many manufacturers and retailers quickly realized that they had built up too much inventory and cancelled orders with their overseas suppliers—a sudden move that produced what some analysts called the “inventory overhang” effect.

The impact of the global freight recession on freight forwarders was substantial. In fact, it was reported in *LM* that Expeditors International, the largest U.S. freight forwarder, saw gross

revenues decrease 27 percent and net revenue decrease 14 percent during the deepest trough of the freight recession.

However, fortunes are quickly beginning to reverse for global freight volumes, as ocean capacity continues to tighten—thanks in part to a critical container shortage—and air freight numbers have taken a rather quick turn for the better. For the freight forwarding community overall, the skies are certainly beginning to clear.

But no matter how hard the global economy became to navigate, our readers tell us that there were 10 freight forwarders that were able to offer world-class service despite tough operational times. This year we find BDP International taking the top spot with an impressive 37.38. While BDP only took first in Equipment & Operations (4.05), its scores were strong enough across the board to give it the pole position.

Pilot Freight Ser-

vices led the pack in Value (9.57) and Customer Service (6.75), UPS SonicAir posted the high mark in On-time Performance (12.39), while FedEx Trade Networks took first in Information Technology (5.26).

## 2010 Quest for Quality: Editor's Note

The editorial staff of *Logistics Management* would like to thank the 5,426 readers who took time out of their busy days to complete and submit the 2010 Quest for Quality ballots. Your time, effort, and insight have helped *Logistics Management* maintain the Quest for Quality as the premier benchmark study for logistics and transportation quality and service during the past 27 years.

In accordance with tradition, *Logistics Management* will hold an awards dinner during the Council of Supply Chain Management Professionals (CSCMP) Annual Conference. This year's event will take place on September 27, 2010, in the San Diego Ballroom A at the San Diego Marriott Hotel & Marina, San Diego, Calif., from 6:30 p.m. to 10:30 p.m.

The Quest for Quality Awards Dinner is one of the most anticipated evenings on the logistics and supply chain yearly calendar. Our editorial staff will be on hand to congratulate the 2010 Quest for Quality winners. For more information on attending please go to [www.logisticsmgmt.com/Q4Q2010](http://www.logisticsmgmt.com/Q4Q2010).

## Airfreight forwarders

Weighted scores

	On-time performance	Value	Information technology	Customer service	Equipment and operations	Weighted score
BDP International	12.16	9.51	5.18	6.48	4.05	37.38
Pilot Freight Services	11.75	9.57	4.92	6.75	3.88	36.87
UPS SonicAir	12.39	8.91	5.04	6.48	3.92	36.75
Lynden Air Freight	12.12	8.97	4.83	6.48	3.84	36.24
FedEx Trade Networks	11.59	8.59	5.26	6.44	3.99	35.87
UTi Worldwide	11.28	8.73	4.60	6.43	3.91	34.95
Nippon Express USA	11.05	8.42	4.43	6.04	3.70	33.63
Kintetsu World Express	10.39	8.62	4.31	6.25	3.67	33.24
AIT Worldwide Logistics	11.03	8.42	3.94	6.16	3.20	32.74
Expeditors International Express	10.63	7.97	4.76	5.89	3.45	32.70
<b>AVERAGE</b>	<b>10.42</b>	<b>8.22</b>	<b>4.43</b>	<b>5.84</b>	<b>3.51</b>	<b>32.42</b>

Source: *Logistics Management*, Peerless Media Research Group

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