

ABSTRACT

As companies around the world transform themselves for competition that is based on information, their ability to exploit intangible assets has become far more important than their ability to invest in and manage physical assets. The balance scorecard supplemented traditional financial measures with criteria that measured performance from three additional perspectives, those of customers, internal business processes, and learning and growth. It is therefore enabled companies to track financial results while simultaneously monitoring progress in building the capabilities and acquiring the intangible assets that they would need for future growth.

Shipping being characterized as a highly competitive industry makes the use of performance indicators in all the four perspectives extremely important. Today, the shipping enterprise must work harder to acquire and retain clients and to meet industry and government standards and regulation. As cost pressure mounts and service demands escalate, ship owners, ship agents, charterers and all its stakeholders form strategic alliances and relationships to collaborate and share resources and information and realize economies of scale. Consequently it is very important to closely monitor of the performance implications in order to be aligned with adopted competitive strategies.

Key Performance Indicators helps an organization define and measure progress towards organizational goals. Once an organization has analyzed its mission, identified all its stakeholders, and defined its goals, it needs a way to measure progress toward those goals. Key Performance Indicators are those measurements which serve as tools for change providing input to manage performance which will assist in bringing about sustainable performance improvements.

The aim of this paper was to examine the applicability and usefulness of key performance indicators in port agency services and analysis of the application of KPI's in leading port agency service providers in Sri Lanka as means to yield benefits to the shipping industry in Sri Lanka.

Key Words: Key Performance Indicators, Balanced Scorecard & Port agency services

