SWAT MOBILITY · INDUSTRY RESEARCH · APRIL 2026

Where Does the Money Actually Go?

What logistics leaders across Asia Pacific say about cost, planning, and customer retention.

Based on qualitative research with APAC logistics operations leaders and third-party industry data.

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The pressure is real.
The source is often invisible.

Transportation is the largest single controllable cost in any logistics operation - accounting for between 45% and 70% of total operating expenditure, according to CBRE's 2025 Asia Pacific Logistics Occupier Survey of 380 corporate real estate executives. Yet in conversations with operations leaders across APAC, a consistent theme emerged: they could identify that costs were rising, but struggled to pinpoint exactly where, and why.

This is not a failure of attention. Operations leaders are some of the most detail-oriented professionals in any business. The problem is structural: the costs that compound most quietly are the ones that never trigger an alert. A route that runs significantly longer than it needs to. A planner spending much of the morning building tomorrow's schedule only for it to change before midday. A delivery arriving late, noted in a spreadsheet, never connected to the customer who quietly stopped sending orders months later.

This report surfaces three patterns observed consistently across APAC logistics operations. None of them are new problems. All of them are under-measured. And in each case, the leaders with the most control over their outcomes shared one characteristic: they had found a way to make the invisible visible.

HOW TO READ THIS REPORT

Each finding is structured the same way: the pattern observed across our APAC research interviews, the third-party data that quantifies it, the operational signals that indicate it is present in your operation, an anonymised vignette from the field, and a short set of actions to make the cost or risk visible within a single quarter. Quotes attributed to "an operations leader" are drawn from primary research interviews conducted by SWAT Mobility across the region; customer identities have been withheld. The intent is diagnostic, not prescriptive.

FINDING 01 — TRANSPORTATION COST LEAKAGE

01

FINDING ONE

The money leaving your operation every day that no single line item can explain

The shape of transportation cost has shifted faster than most operations budgets reflect. Last-mile delivery now accounts for roughly 53% of total shipping cost, up from 41% in 2018 - meaning the most expensive portion of every order is also the portion most exposed to routing decisions. Industry analysis of fleet operating data put empty miles at 16.7% in 2024: roughly a sixth of every kilometre driven generated zero revenue while consuming fuel, driver hours, and vehicle wear.

The upper bound of what optimisation can recover is well documented. McKinsey's 2024 distribution operations research estimates that AI-driven route optimisation reduces logistics costs by 5 to 20%, with fuel as the largest single component of the saving. The magnitude is not in dispute. What is missing in most operations is the per-route baseline against which the saving can be measured.

53%

Share of total shipping cost now attributable to last-mile delivery (up from 41% in 2018).

Capgemini Research Institute, 2024

16.7%

Empty-mile rate across surveyed fleets in 2024 - fuel and labour with no revenue offset.

ATRI, Operational Costs of Trucking, 2025

5-20%

Logistics cost reduction from AI-driven route optimisation applied as the primary cost lever.

McKinsey & Company, 2024

WHERE THIS SHOWS UP IN YOUR OPERATION

- → The same delivery routes cost materially different amounts on different days of the week - and no one can explain the variance with confidence.
- → Planners "tweak" published routes after dispatch as a daily behaviour, not an exceptional one - every change is a quiet admission that the original plan was suboptimal.
- → Cost-per-delivery is calculated at month-end, in aggregate, rather than known per route at run-time. The unit of measurement is the month, not the trip.
- → Fuel spend and overtime are managed as separate line items in finance - the operational decisions that drive both are not measured against either.

FROM THE FIELD · APAC FMCG DISTRIBUTOR

An operations leader at a regional FMCG distributor ran a single recurring long-haul corridor through an optimisation simulator and found the route had been carrying meaningfully more distance per trip than the optimised alternative - comfortably inside the industry-typical 10-15% range. The cumulative cost gap on that corridor was eventually escalated to senior management. Not because anything was on fire. Because no one had been comparing the route against what it could be.

Source: SWAT Mobility primary research interviews, 2025-26.

FROM THE FIELD · JAPAN-BASED 3PL

A Japan-based 3PL ran the same exercise at the asset level rather than the route level. Their analysis concluded that removing a single underutilised vehicle from rotation would yield approximately ¥900,000 per month in savings - close to ¥10.8 million per year for one vehicle. The fleet had been operating that way for years. The assumption that "we need every truck" had never been tested against a per-vehicle utilisation number.

Source: SWAT Mobility primary research interviews, 2025-26.

HOW TO MAKE THIS VISIBLE THIS QUARTER

1. Pick one weekly route. Re-plan it offline against an optimised baseline. Track the delta - distance, duration, fuel, labour - for four consecutive weeks. The exercise is the answer.
2. Move from monthly to per-route cost reporting on at least one corridor. Aggregate visibility hides per-decision cost; per-route visibility surfaces it.
3. Run a per-vehicle utilisation pass on the smallest 20% of your fleet. Ask whether removing one underutilised vehicle would change service. If the answer is "no", the cost is real.
4. Set an internal benchmark in cost per stop, not cost per route. The unit changes the conversation - and connects routing decisions to unit economics in a way finance can act on.

> *The operations leaders with the greatest control over their transportation costs shared one habit: they had stopped accepting current costs as the benchmark, and started comparing them against what those costs could be.*

FINDING 02 — MANUAL PLANNING BURDEN

FINDING TWO

02 Your most important daily operational decision is also your most manual

DAILY PLANNING TIME: MANUAL VS SYSTEM-ASSISTED

MANUAL PLANNING

3-7 hours every morning, under time pressure, single-person dependency.

SYSTEM-ASSISTED

Plan generated in minutes; planner shifts to exceptions and customer judgement.

20-30%

Productivity improvement in transport operations from adopting digital automation and planning technologies.

McKinsey Global Institute, automation research

5-20%

Logistics cost reduction from AI-driven route optimisation applied to planning as the primary cost lever.

McKinsey & Company, 2024

#1

Strategic priority for supply chain leaders in 2026 is improving efficiency and productivity.

Blue Yonder Supply Chain Compass 2026, 678 senior supply chain professionals

Every morning, before a single vehicle leaves a depot, someone in the operation makes a set of decisions that will determine the cost and performance of that day. In most mid-market logistics operations across APAC, this process is managed by one or two experienced planners, working from spreadsheets, drawing on accumulated knowledge, under time pressure. It works - until it does not. And the cost of it working imperfectly is paid quietly, every day.

A human planner working under time pressure cannot hold hundreds of constraints simultaneously - vehicle capacity, time windows, driver availability, traffic, fuel efficiency, customer priority - and produce a plan that is optimal across all of them. They produce a plan that is good enough, every day. The gap between good enough and optimal, multiplied across every delivery, is where money goes.

What we heard across APAC operations

Operations leaders consistently raised something that rarely appears in technology discussions: the human cost of the planning burden itself. Senior planners described the daily process as exhausting - not because they lacked skill, but because the task demands a level of cognitive effort that cannot be sustained without error. Several mentioned their concern was not primarily efficiency. It was sustainability - whether the people carrying the knowledge of how the operation works could keep doing so indefinitely.

One operations leader at a large APAC distributor described his morning planning load as "800 orders, three to four hours, one person" - and noted that the same plan, once produced through an automated system, took roughly 30 minutes. Another regional operation reported planning time had silently doubled to six or seven hours per day as their volume scaled, eventually forcing a re-evaluation of their existing planning vendor. The pattern was consistent: planning time scales faster than fleet size, until something breaks.

There is a second risk operations leaders rarely name explicitly: institutional knowledge dependency. When the plan lives in a person's head, the operation is one resignation away from a knowledge crisis. The routes that work, the customers who need early delivery, the roads that are unreliable at certain times - all of this leaves with the planner who held it. Automated planning captures that logic and makes it structural rather than personal.

DEEPER CONTEXT · THE TALENT EQUATION

The fragility of the planner role is no longer an internal concern - it is an APAC-wide labour-market signal. In Dematic's 2025 APAC supply chain study, labour shortages and rising wages were named the top operational concern, accounting for ~27% of responses. CBRE's 2025 occupier survey found 76% of APAC occupiers planning to expand warehouse footprint over the next three to five years - adding fleet, adding complexity, adding planning load against a thinner pool of experienced planners. Australian planning and logistics recruiters are already reporting a measurable shortage of senior planning talent through 2026.

Industry turnover compounds the risk: published hiring outlooks report an average annual turnover rate of 11.6% across supply chain and logistics functions. In a planning team of two, that is a one-in-six chance of losing a person every year - and with them, the unwritten logic of how the operation actually runs. The case for system-assisted planning is no longer just productivity. It is continuity.

27%

Share of APAC operators citing labour shortages and wage pressure as their top concern.

Dematic APAC Supply Chain Study, 2025

76%

APAC occupiers planning to expand warehouse and fleet footprint within 3-5 years.

CBRE Asia Pacific Logistics Occupier Survey, 2025

11.6%

Average annual turnover in supply chain planning functions - every loss takes context with it.

2026 Supply Chain & Logistics Hiring Outlook

WHERE THIS SHOWS UP IN YOUR OPERATION

- → The plan is locked at 6:00am and materially altered by 11:00am - every day, not just on exception days.
- → One named planner is the only person who can "fix it" when the morning runs sideways. The fix is not in a process; it is in a person.
- → Planning quality visibly dips on Mondays, after public holidays, or when the lead planner takes leave.

→ Tomorrow's plan is built reactively from today's failures rather than proactively from tomorrow's demand.

→ Senior planners describe planner satisfaction and burnout - not productivity - as their primary concern when asked about the operation's future.

FROM THE FIELD · LARGE APAC DISTRIBUTOR

An operations leader described handing the morning plan to her team only to spend the next two hours rebuilding it after three drivers arrived late. Her concern was not the rework. It was that her best planner was within twelve months of retirement, and no one else in the building could do what she did. "Part of the business case," she said of automation, "is honestly that the alternative is a person." For her, system-assisted planning was not a productivity question. It was a continuity question.

Source: SWAT Mobility primary research interviews, 2025-26.

FROM THE FIELD · PROVEN OPERATIONAL OUTCOME

A SWAT Mobility logistics deployment with a regional operator reduced manual transport planning effort by approximately 100 person-hours per month - equivalent to releasing more than half of a full-time planner's monthly capacity back to exception management, customer communication, and operational resilience work.

Source: SWAT Mobility customer outcome data.

HOW TO LIGHTEN THE LOAD THIS QUARTER

1. Inventory the constraints your planner holds in their head - vehicle, time window, customer priority, traffic. If the list runs to a single page, it is too long for one human to optimise consistently.
2. Time how long it takes to rebuild the plan when one driver calls in sick. That number is your fragility cost, and it has never been on a P&L.
3. Pilot system-assisted planning on a single depot or sub-fleet. Compare time-to-plan and on-day exception count against the manual baseline. Do not pilot for cost savings first; pilot for resilience.
4. Document the planner's "tribal knowledge" - the unwritten rules that make the plan work. The act of writing it down is the first step toward making the operation less dependent on any one person.

FINDING 03 — SLA AND CUSTOMER RETENTION

03

FINDING THREE

SLA failures are costing you customers you don't know you're losing

SLA FAILURE TIMELINE: FROM DELAY TO CUSTOMER IMPACT

Delay develops	Window to intervene	Delivery missed	Customer complains
Hours before drop	*Reroute, reschedule, communicate*	*Service event*	*Relationship event*

43%

Of logistics professionals cite on-time delivery as their single biggest operational concern - above cost and driver availability.

Tech.co Logistics Report 2025, 521 respondents

76%

Of customers say a positive delivery experience directly determines whether they repurchase from a brand.

Sifted 2025 Consumer Survey, 500 respondents

40%

Average B2B customer churn rate in logistics - the highest of any B2B industry surveyed across 11 sectors.

CustomerGauge State of B2B Account Experience

Operations leaders tend to measure SLA performance in aggregate. On-time rates. Monthly summaries. Quarterly reviews. These numbers are useful for internal management. They are not the number your customer is keeping. Your customer is keeping score of every individual experience - a data point that accumulates quietly toward a decision about whether to renew, expand, or begin evaluating alternatives.

What we heard across APAC operations

Across conversations with logistics operations leaders in the region, SLA pressure consistently surfaced not as a compliance concern but as a relationship concern. One operations leader at a major regional 3PL framed it directly: "If we are getting a lot of late deliveries, that is the thing that gets the attention of the customer - and then onto our CEO." Another, leading delivery operations at a Southeast Asian logistics provider, described SLA compliance as "a huge part of our service - it is the commitment, not just the freight." The gap, they noted, was rarely in intent. It was in information: knowing in advance that a delivery was at risk, rather than discovering it had failed after the fact.

A missed delivery caught before it happens - rerouted, rescheduled, or communicated proactively to the customer - is a service recovery. A missed delivery discovered in a complaint is a relationship event. The operational difference is often a matter of hours. The commercial difference can be a contract. Blue

Yonder's 2025 Supply Chain Compass report found that 45% of supply chain leaders cited investing in tracking and visibility solutions as essential to achieving their strategic priorities.

DEEPER CONTEXT · THE OTIF BENCHMARK GAP

On-Time-In-Full (OTIF) is now the de facto reliability metric for B2B logistics relationships. Major retailers have hard-coded performance thresholds into their contracts: Walmart raised its OTIF requirement from 75% in 2017 to 98% by 2020, with a 3%-of-COGS fine per failed shipment. For suppliers downstream, sustained OTIF performance is increasingly tied directly to renewal outcomes - not just operational scorecards.

The economic asymmetry compounds the operational one. CustomerGauge estimates global revenue lost to customer churn at roughly $1.6 trillion annually. In a logistics market where the average B2B churn rate is 40% - the highest of any B2B sector measured - every renewal preserved is materially more valuable than the next deal won.

98%

Walmart's OTIF requirement for suppliers - up from 75% in 2017.

Walmart supplier compliance terms

3%

Penalty as a share of COGS that Walmart and similar retailers apply for each OTIF failure.

Retailer compliance terms, 2020 onward

$1.6T

CustomerGauge estimate of global revenue lost to customer churn annually.

CustomerGauge, industry commentary

WHERE THIS SHOWS UP IN YOUR OPERATION

- → The first you hear about a missed delivery is from the customer, not the system.
- → Account managers spend their day reactively - fielding complaints rather than offering proactive ETA updates.
- → SLA reporting lives in monthly slides; renewal conversations live in account reviews. The two never meet.
- → "We are at 96% on-time" is true at the aggregate - and irrelevant to the customer who experienced your 4%.
- → The most common customer complaint is not lateness itself, but having waited a whole day in an open delivery window without a status update.

FROM THE FIELD · APAC REGIONAL DISTRIBUTOR

A regional distributor noticed their renewal rate had slipped two points year-over-year despite a stable aggregate on-time rate. When they segmented performance by account, three of their top ten customers had each experienced an on-time rate below 90% for the prior two quarters. None of those customers had complained. Two were already in commercial conversations with a competitor. The aggregate number had hidden the relationship-level signal.

Source: SWAT Mobility primary research interviews, 2025-26.

HOW TO MAKE THIS VISIBLE THIS QUARTER

1. Map your top 10 customers by revenue against their individual on-time rate. Almost certainly, your worst-served customers are not your smallest.
2. Define what "at-risk delivery" means operationally - a threshold (e.g. ETA slip beyond a stated minute count) that triggers proactive customer contact rather than internal logging.
3. Move SLA reporting out of the monthly cadence and into the account review. The customer is keeping per-delivery score. The supplier should be too.
4. Audit the gap between when a delay becomes knowable and when it becomes known internally. That gap is the size of your retention exposure.

> *The cost of a missed SLA is rarely the missed SLA. It is the renewal conversation, six months later, where the customer politely declines to expand - and the operations team is not in the room to know why.*

CLOSING OBSERVATIONS

What the operations leaders with the most control are doing differently

Across conversations with logistics operations leaders throughout Asia Pacific, a pattern emerged among the teams with the clearest view of their costs and the strongest customer relationships. They were not necessarily larger, better funded, or operating in simpler markets. They shared three operational habits.

01 They had moved from daily manual planning to system-assisted planning - not to replace their planners, but to free them from mechanical sequencing so they could focus on exceptions, customer relationships, and decisions that genuinely require human judgement.

02 They measured cost per delivery, not just cost per month. The shift from aggregate to per-unit visibility changed the questions they could ask - and made the cost of individual routing decisions visible for the first time.

03 They tracked delivery performance in real time, not in retrospect. The ability to identify a delivery at risk before it missed changed the nature of their customer conversations from complaints to proactive communication.

None of these are technology observations. They are operational observations about what it means to run a logistics operation with visibility. The technology is the means. The outcome is a clearer picture of where the money goes, a more sustainable demand on the people who plan the operation, and a customer relationship built on reliability rather than recovery.

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