LOGISTICS & SUPPLY-CHAIN OUTSOURCING · PHILIPPINES

Freight doesn't sleep: the executive economics of logistics outsourcing to the Philippines.

An analysis of margin-per-load economics, track-and-trace and exception operations, freight-bill audit, and vendor-selection discipline for 3PLs, brokers, carriers, and shippers sourcing in the Philippines.

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ABOUT THIS SERIES

Eighteen volumes in, the series' finding is stable enough to state as a law: outsourcing returns two-thirds rate arbitrage and one-third operational value — and the second third only exists when the provider was selected on evidence. This volume applies that law to the industry that moves everything else, with costs, benchmarks, and provider-field census drawn from PITON-Global's quarter century of buyer-side work.

THE PITON-GLOBAL LEADERSHIP TEAM

About the authors

John Maczynski
Chief Executive Officer

Supply chains ran beneath most of the operations John owned in his thirty-plus corporate years — and they taught him the trait this vertical demands of any vendor: reliability is proven at 2 a.m., or it is not proven at all. That standard

Ralf Ellspermann
Chief Strategy Officer

Logistics floors joined Ralf's Manila portfolio early — track-and-trace desks and freight back offices were among the operations he built as US brokers discovered the time-zone arithmetic this volume prices — and the vertical has stayed

governs how he vets providers today, and every PITON-Global engagement runs under his personal direction from first scoping session to certified launch.

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under his watch since. Twenty-plus resident years have given him the floor-level census this paper reports: which providers genuinely run freight, and which run a script about it. The series' provider intelligence remains his standing charge.

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PITON Global

ABOUT PITON-GLOBAL

Buyers enter the Philippine outsourcing market once; PITON-Global has never left it. Manila-based since 2001 and a fixture of the industry's award rolls, the firm converts twenty-five years of provider observation into a single service: making the buyer the best-informed party at the table. Requirements scoped to the operating problem, a thousand-plus-provider field gated on evidence, an RFP that is genuinely a competition, and embedded advisory until the program performs. Tripadvisor, TSYS, Garmin, HealthPartners, Yetipay, Workrise, and Norman Disney & Young have all built their Philippine teams this way.

SECTION 01

Executive summary

-63%	**78%**	**1.8%**	**5.6×**
Fully-loaded cost vs. US onshore, blended program	Exceptions caught before the delivery window (vs. ~45%)	Freight-bill audit recovery, share of audited spend	First-year ROI, reconstructed brokerage case (Section 6)

Logistics runs on margins that would terrify most industries: a broker keeps a few hundred dollars on a load, a 3PL's contract renews on service percentage points, a carrier's profit is the difference between a truck moving and a truck waiting. Around every load stands a scaffolding of human coordination — check calls, appointment scheduling, exception chasing, document collection, billing reconciliation — that the industry has historically staffed the way it staffs everything: reactively, expensively, and only during American business hours. Freight, inconveniently, moves at night.

The Philippine market fits this vertical like a purpose-built tool: the time-zone geometry that makes America's night Manila's working day, the process discipline this series has benchmarked in seventeen prior volumes, and TMS-fluent talent at rates that make full-coverage track-and-trace economically ordinary. Five findings frame the volume:

1. **The exception is the product.** Track-and-trace exists to find the load that is about to fail while it can still be saved. A desk that catches 78% of exceptions before the delivery window — versus 45% found after — is defending margin, contracts, and reputation in the same motion.

2. **The night is where service percentage lives.** A missed pickup detected at 11 p.m. Chicago time is a recovered load by dawn; the same miss discovered at 8 a.m. is an apology. Manila staffs the American night as a day shift — the same geometry WP-79 priced for travel, applied to trucks.

3 **The paper pays for the program.** Freight-bill audit recovers 1.5–2% of audited spend in overcharges and duplicate invoices; POD cycle compression pulls billing forward by days. The back office is not overhead here — it is a recovery engine with a yield.

4 **Visibility tech raised the bar, not the headcount case.** ELD pings and visibility platforms tell you where the truck is; they do not call the receiver, rebook the appointment, or talk the driver through a detention dispute. The residual work is judgment on deadlines — the pattern of every AI reset this series has documented.

5 **Freight fluency is a real screen.** Of 1,000+ Philippine operations, PITON-Global's mapping confirms genuine logistics practices — live brokerage programs, TMS benches (McLeod, MercuryGate, project44-class stacks), OS&D machinery — at roughly thirty. The rest will learn on your loads.

The intended reader runs operations or finance at a freight brokerage, 3PL, carrier, last-mile network, or shipper with freight under management. Sections 2–4 supply the evidence; sections 5–7, the method and the proof.

SECTION 02

The load lifecycle: where broker margin lives, and the work that moves

Figure 1 walks a load from booking to cash, marking the outsourced work at each stage and the margin moment it protects.

FIG. 1 — THE OUTSOURCED LOAD LIFECYCLE

BOOK & COVER	MOVE & WATCH	DELIVER & DOCUMENT	BILL & RECOVER
Load building, carrier sales support, rate confirmations, onboarding & compliance checks	Track-and-trace, check calls, appointment scheduling, exception detection & recovery	POD chase, detention documentation, OS&D claims intake & processing	Freight-bill audit, invoicing, carrier settlement, AR follow-up (WP-18's desk, freight-tuned)
Protects: coverage speed & carrier quality	Protects: on-time percentage & the customer	Protects: billability & claims outcomes	Protects: margin & working capital

Composite of PITON-Global logistics engagements, 2024–26 — brokers, 3PLs, carriers, and shippers. Move-and-watch work carries ~45% of outsourced volume.

Two readings for the executive eye. First, **the lifecycle is a margin ledger**: a broker's few hundred dollars per load is spent or saved at specific moments — the carrier covered fast at a fair rate, the exception caught in time, the detention documented well enough to bill, the overcharge caught in audit. Each moment is a staffed task, and each task prices at Manila rates. Second, **the lifecycle is one team's work**: providers that run it end-to-end resolve cross-stage problems (a delivery exception that becomes a claims file that becomes a billing dispute) without the handoff losses that plague function-by-function sourcing — the same unification argument WP-76 made for retail's two lanes.

The buyer mix has broadened the way every maturing vertical's does: a decade ago this was broker work almost exclusively; today PITON-Global's logistics pipeline runs brokers, asset carriers scaling driver-support and settlement desks, last-mile networks with WISMO-class volumes, and shippers building freight-audit and vendor-compliance functions they never staffed onshore at all.

SECTION 03

The night desk: exception economics while America sleeps

Figure 2 reconstructs a routine overnight save — the transaction that, multiplied across a load board, is the difference between a 91% and a 97% on-time month.

FIG. 2 — ANATOMY OF AN OVERNIGHT SAVE (ALL TIMES US CENTRAL)

23:40	Visibility ping goes stale on a morning-delivery load; the Manila desk — mid-afternoon local, fully staffed — flags it inside its 20-minute exception window
23:55	Driver reached: breakdown outside Amarillo. Facts captured, ETA impossibility confirmed, recovery options already being priced
00:45	Recovery carrier tendered from the pre-approved list within authority limits; cross-dock arranged; rate confirmation issued
01:30	Receiver's overnight dock rebooked for the revised window; customer notification drafted with new ETA and cause, queued for their 6 a.m.
08:00	The account manager opens a solved problem with a paper trail — not a customer call about a load nobody was watching. Load delivers in the revised window; the service failure never happens

Composite overnight exception, PITON-Global logistics engagements 2024–26. Onshore-equivalent path: discovery at 07:45, recovery attempted into a booked morning market, delivery missed.

The save is machinery, not heroics, and every component is a diligence item: **exception windows** (stale-ping and missed-milestone clocks that trigger action in minutes), **authority matrices** for recovery spend written to the dollar — the same instrument WP-18 built for settlements, **pre-approved recovery rosters** maintained by lane, and **notification discipline** that puts the customer's morning brief ahead of the customer's morning discovery. Providers with genuine freight practices produce these artifacts on request; the rest produce adjectives.

The daylight twin of the night desk is the paper engine: freight-bill audit that catches the 1.8% — duplicate invoices, wrong accessorials, rated-versus-contracted gaps — and a POD chase that compresses billing cycles by days. Both are pure yield: measured in recovered dollars against desk cost, the audit function alone frequently clears 3× before the service benefits are counted at all.

SECTION 04

Cost and performance: role-band economics and top-tier

benchmarks

TABLE 1 — FULLY-LOADED COST PER PRODUCTIVE HOUR BY ROLE BAND (US$, 2026)

US ONSHORE / HR · MANILA VETTED / HR

	US	MANILA	
Track-and-trace specialist (24/7)	$27.60	$10.30	−63%
Freight-bill auditor / POD & claims processor	$31.50	$11.70	−63%
Exception / carrier-support coordinator (authority-bearing)	$32.40	$12.00	−63%
Blended 60-seat brokerage program	$30.20	$11.20	−63%

Basis: PITON-Global logistics engagement pricing 2025–26; fully loaded and net of shrinkage, as defined in Methodology & notes. 24/7 coverage at flat rates — the night shift is Manila's day.

TABLE 2 — LOGISTICS OPERATING BENCHMARKS, VETTED VS. BASELINE (2025–26)

METRIC	VETTED TOP TIER	BASELINE	EXECUTIVE READING
Exceptions caught pre-window	78%	~45%	Failures prevented, not reported
On-time delivery contribution	+6 pts	reference	The number contracts renew on
Freight-bill audit recovery	1.8%	~0.6%	Share of audited spend, returned
POD cycle (delivery → billable)	−5 days	reference	Working capital pulled forward
OS&D claims closed ≤30 days	74%	~48%	Disputes resolved while facts are fresh
Annual attrition, logistics programs	22–30%	45–60%	Lane knowledge stays in seat

Source: PITON-Global logistics engagement data 2025–26; baseline = client pre-engagement and onshore/commodity-offshore averages.

Behind the column, the series machinery — calibrated QA, certification gates, tenure economics — plus two freight-specific engines: **lane and account immersion** (the desk knows which receiver's dock runs late, which carrier over-promises on I-80 winters, which customer wants the call before the email — the accumulated texture that makes coordination fast), and **authority instrumentation** — recovery spend, detention approvals, and accessorial acceptance enforced by the system, so speed at 1 a.m. never becomes improvisation at the client's expense.

SECTION 05

Sourcing discipline: the 7-Step Vendor Vetting Framework, applied to logistics

Logistics diligence has its own transcript test: pull a night's exception log from a live program and walk it save by save — windows hit, authority respected, notifications sent. Providers who run freight produce it in a day. The funnel below is representative of a mid-market brokerage search.

FIG. 3 — THE 7-STEP FRAMEWORK AS A LOGISTICS FUNNEL

	STEP	WHAT IT ELIMINATES IN A LOGISTICS SEARCH	FIELD REMAINING
1	**Requirements definition**	Uninstrumented scope: fixes load volumes by mode and lane, exception windows, authority matrices, systems (TMS, visibility stack), coverage model, quality targets	1,000+
2	**Market mapping**	Providers without 24/7 operations floors in the required scale band	~95
3	**Capability screening**	Generic call centers with a freight slide: live brokerage/3PL programs, TMS benches, OS&D machinery, exception-log exports — evidenced	~30
4	**Compliance & security audit**	Weak system-access and authority controls: SOC 2 on the unit, least-privilege TMS access, authority enforcement in-system, BCP for a desk that cannot close	~17
5	**Operational diligence**	The night-log test: exception windows nobody hits, saves no reference confirms, audit-recovery rates that fail sampling, attrition that churns lane knowledge	6–10
6	**Competitive RFP & negotiation**	Per-load teasers that unravel at real touch counts; finalists bid per productive hour (or per load where mixes are stable) with exception-catch, on-time, and recovery credits	2–3
7	**Transition & launch governance**	Launching into peak season unproven: PITON-Global stays embedded buyer-side through the first full freight cycle, then hands over	1

Field-remaining counts represent a mid-market logistics search (30–100 seats), PITON-Global engagements 2024–26.

The guarantees, eighteenth statement: **vendor neutrality** — no capacity sold, no placement economics, the night log outranking the lunch; **right-sizing** — a 60-seat brokerage program inside a mega-BPO waits behind enterprise accounts, while the framework surfaces freight specialists for whom your load board becomes the floor's weather. Six to ten best-qualified providers, within 48–72 hours, free to the buyer, competing through a fully transparent, fair, comprehensive, and highly competitive RFP.

SECTION 06 · ANONYMIZED CASE STUDY

Watching every load: a 60-seat freight-brokerage program, reconstructed

Engagement LG-034 is a US freight brokerage and 3PL — roughly $900 million in freight under management, 260 employees — whose operations had hit the industry's classic wall: brokers spending their afternoons on check calls instead of selling, an after-hours "emergency line" that rang to a rotating cell phone, service percentage bleeding two points a year, and a freight-bill process that paid carrier invoices largely on trust. Identifying details are anonymized under NDA.

SELECTION (WEEKS 0–8)

Requirements fixed a 60-seat, 24/7 scope — 30 track-and-trace with 20-minute exception windows, 18 exception and carrier support with dollar-defined recovery authority, 12 freight-bill audit and POD — on the brokerage's TMS and visibility stack. Mapping yielded 88 claimants; freight-practice screening left 26; the authority-and-access audit left 15. Night-log diligence produced a shortlist of 7. A Manila logistics specialist won at $11.20 per productive hour, with exception-catch, on-time, and audit-recovery credits.

TRANSITION (WEEKS 9–24)

Track-and-trace certified in first, lane by lane, with account immersion built from the brokers' own tribal knowledge. The night desk went live in week 12 — the rotating cell phone retired — and the exception machinery hit its windows from the first week. Freight-bill audit launched in week 15 and found six figures of recoverable overcharges in its first ninety days. Brokers redeployed to selling; none were released. PITON-Global chaired buyer-side governance through produce season, then handed over on documented criteria in month 7.

TABLE 3 — LG-034 FIRST-YEAR VALUE BUILD-UP (US$)

VALUE COMPONENT	YEAR 1	BASIS
Labor & overhead arbitrage (incl. after-hours model retired)	$2.13M	112k productive hrs × ($30.20 – $11.20)
Margin protected (service failures –41%, two at-risk accounts retained)	$0.44M	Failure-cost run-rate avoided + contribution margin on retained accounts, one cycle
Freight-bill audit recovery (0.5%→1.7% of audited spend)	$0.29M	Documented overcharges and duplicates recovered, net of dispute costs
POD-cycle working capital (billing –5 days)	$0.21M	Pulled-forward receivables × cost of capital, one year
Gross value created	**$3.07M**	
Less: engagement & transition costs	($0.55M)	Transition, immersion build, authority instrumentation, governance overlay; advisory fee $0 (provider-paid model)
Net value ÷ cost = first-year ROI	5.6×	$3.07M ÷ $0.55M

Figures rounded; margin, recovery, and working-capital effects conservatively factored. Method in Methodology & notes.

Sixty-nine percent arbitrage, thirty-one percent operational value — the series law, eighteenth confirmation. The operational lines trace to selection as always: the failure reduction to exception windows demanded in Step 1 and verified in the night log, the audit recovery to a paper engine most bidders didn't staff, the retained accounts to a service curve that stopped bleeding. The president's handover line: "Our brokers used to babysit trucks. Now they grow accounts, and the trucks are better babysat than ever."

SECTION 07

The executive playbook: governance for the first 180 days

Logistics programs should launch against the freight calendar — proven before produce season or Q4 peak tests them. The governance below assumes that clock, client in command throughout.

DAYS 0–30

Instrument the authority, define the windows

Write exception windows and recovery authority to the minute and the dollar, enforced in-system. Contract with exception-catch, on-time, and audit-recovery credits. Build the account-immersion file from your brokers' heads before their tribal knowledge walks past the desk unrecorded.

DAYS 30–90

Certify by lane, retire the cell phone

Take track-and-trace live lane by lane on certification gates; cut the night desk over only when its exception log hits windows for two consecutive weeks in shadow. Launch the audit engine early — its recoveries fund the transition's optics. Redeploy brokers to revenue; announce it as the promotion it is.

DAYS 90–180

Prove the season, then chase the causes

Govern the first peak from a daily exception dashboard; hold the retro within a week of season's end. With service stable, point the data at root causes — chronic-failure lanes, carriers whose promises decay, customers whose docks create the exceptions. Certify steady state; hand over on dated criteria.

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Buying check calls when the problem was exception windows · leaving recovery authority to 1 a.m. improvisation · paying carrier invoices on trust while an audit desk would pay for itself · pricing per load on a touch count nobody measured · launching into produce season on an uncertified desk. All five are settled at selection and design.

Logistics is the industry that promises everyone else's promises — and keeps them, or doesn't, in the hours when its customers are asleep. The Philippine market staffs those hours as ordinary working ones, at 63% below onshore cost, with the exception machinery, audit yield, and lane fluency this volume has priced. Thirty providers genuinely qualify; a thousand will quote. The method is the series' constant — windows written down, authority instrumented, night logs read, a fully transparent, fair, comprehensive, and highly competitive RFP — and it is how the freight keeps moving while everyone sleeps but the desk.

METHODOLOGY & NOTES

How the numbers were built

Operating benchmarks (exception catch rates, on-time contribution, audit recovery, POD cycle, claims closure, attrition) derive from PITON-Global logistics engagements active 2025–26, measured on TMS, visibility-platform, and QA systems, validated in client governance. Baselines combine client pre-engagement data with onshore and commodity-offshore averages.

Cost figures are fully loaded — wages, benefits and statutory charges, facilities, technology and security stack, management and QA overhead, attrition-driven recruiting and ramp — net of shrinkage, at flat rates across 24/7 coverage. US baselines reflect Tier-2 metro logistics-operations labor including night-shift premiums; Manila figures reflect 2025–26 engagement pricing.

The case study (LG-034) is anonymized under NDA; freight volumes, lanes, and platform details are generalized, figures rounded. Value factors are conservative: margin protection counts measured failure-cost run-rate and one renewal cycle of retained-account contribution only; audit recovery is net of dispute costs; working-capital effects apply the client's own cost of capital for one year. ROI = net first-year value ÷ all engagement-related client costs. PITON-Global's advisory fee is provider-paid and appears at $0 in the client cost base; neutrality safeguards are documented at piton-global.com.

Market context draws on IBPAP reporting and PITON-Global's proprietary provider mapping (1,000+ operations; logistics capabilities re-verified August 2026). Estimates and projections are PITON-Global analysis and should be cited as such.

Which logistics BPOs belong on your shortlist?

Thirty minutes with John will tell you. Free to buyers, strictly vendor-neutral — a night-log-tested shortlist within two to three business days.

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