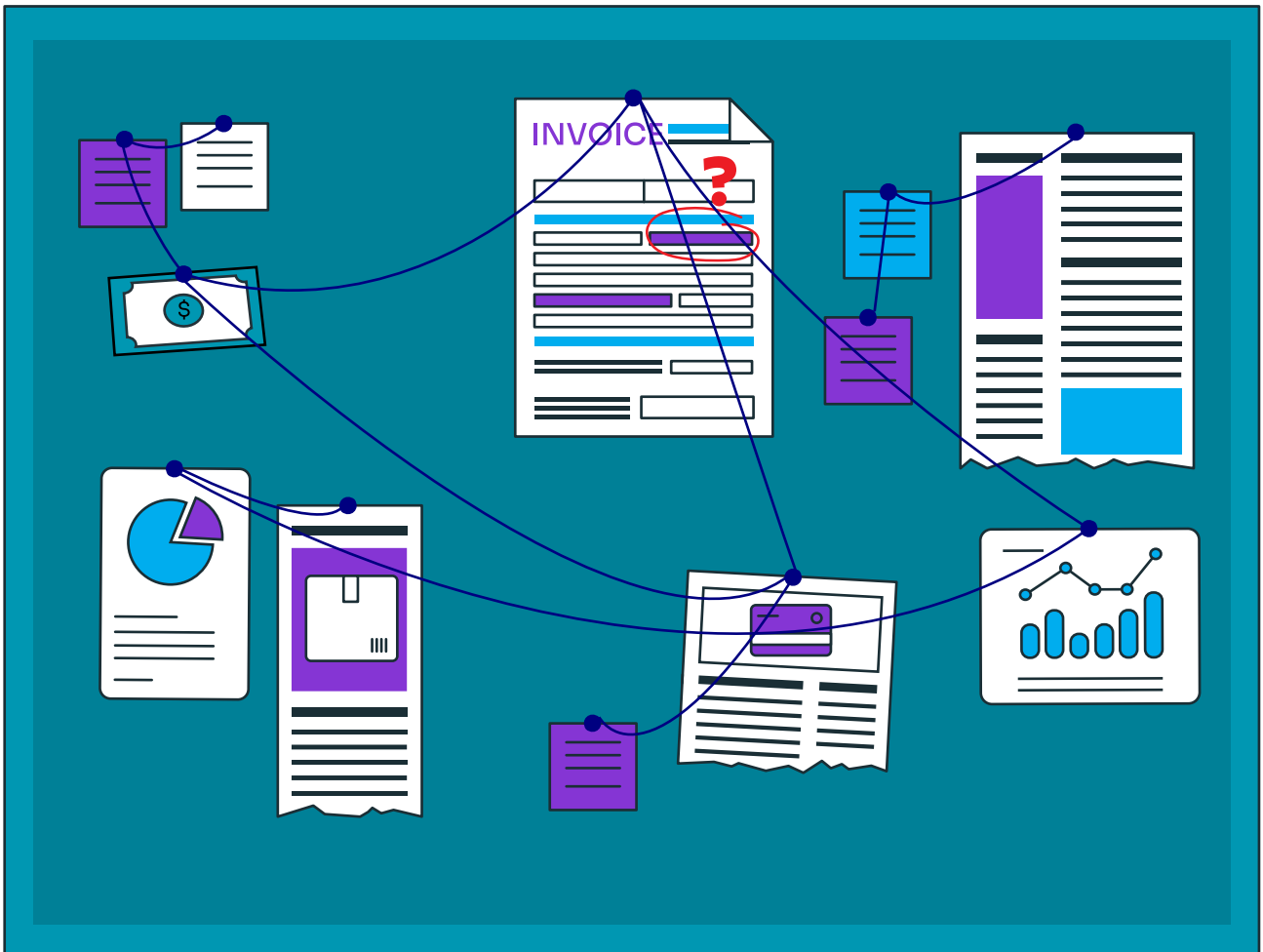




Can you explain last week's margin before the invoices arrive?

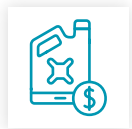
The hidden margin tax in parcel logistics growth



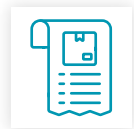
EXECUTIVE SUMMARY

Growth isn't the risk in logistics. Growing without seeing what it's doing to margin is.

Most operators don't lose margin because something "breaks." They lose it because timing works against them.



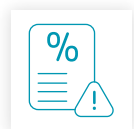
A fuel surcharge that changed mid-month.



A carrier invoice paid without being checked.



A service delivered but never billed.



A margin issue spotted weeks later, once the month is already closed.

By the time finance can explain what happened, it's too late to change it.

Across the industry, this adds up. Most operators are **leaking 3–15% of revenue** without realising it.

In our experience working with couriers, 3PLs and freight forwarders, this timing gap consistently creates margin leakage not through one big failure, but through dozens of small, repeated mismatches that compound at scale.

For CEOs, CFOs and founders, this is no longer just a finance clean-up exercise.

It affects confidence, valuation, and the ability to grow without taking on hidden risk.



Executive takeaway

If margin only becomes clear after invoices arrive, growth is already partially blind.



Quick tip

Ask your finance lead to explain last week's margin movement without using carrier invoices. If they can't, visibility is already lagging reality.

WHY LOGISTICS IS NOW A BALANCE-SHEET ISSUE

Logistics used to be predictable enough that finance could catch up later.

01

You negotiated a base rate.

02

You shipped the parcel.

03

You knew roughly where you stood.

04

That world is gone.

Today, the headline rate is only the starting point. Fuel, peak, residential, remote area, handling, dimensional weight, customs many of the real costs now sit outside the base tariff and change frequently.

Here's what that creates in practice:

Commercial teams price deals before the full cost is clear

Margin risk sits with the operator, not the carrier

Finance only sees the impact weeks later, when invoices arrive

Operations move in real time.

Financial truth arrives late.

And that timing gap is where margin disappears.



I A simple example

Last week, you shipped 18,400 parcels across standard and express services.

At carrier induction, 11% of those parcels were re-rated due to dimensional weight checks at the hub.

- No service failure
- No contract breach
- Just parcel measurements applied after dispatch

The average billed weight on those parcels increased by 0.3 kg.

That single variance moved gross margin by ~£X before finance saw a single invoice.

Nothing broke. But margin moved.

And by the time the impact appeared in the P&L, the week was already over. That timing gap is where margin disappears.



Executive takeaway

When costs arrive after decisions, margin becomes something you explain, not something you manage.



Try this

List every surcharge that affects your top 5 lanes — fuel, peak, residential, remote, handling. Now ask: Which of these change with

That gap is where margin risk lives.

WHERE LEAKAGE ACTUALLY APPEARS

Margin doesn't disappear in one place. It erodes across dozens of small moments that rarely escalate.

The most common silent drains look like this:

01

Invoices paid without validation

Not because teams don't care but because line-by-line checking doesn't scale when volume spikes.

02

Services delivered but never billed

Returns, handling, rework, special routing. Operationally obvious. Financially invisible.

03

Disputes that quietly die

Low-value, high-effort disputes get deprioritised. Margin gets written off to keep things moving.

04

Loss-making flows discovered too late

By the time finance spots the issue, contracts are signed and volume is committed.

05

Each issue feels manageable in isolation.

Together, they quietly reset what "normal" margin looks like.

06

Executive takeaway

What isn't systematically checked becomes statistically accepted.



Quick tip

Take one week of invoices and validate a small sample manually. If surprises appear there, they're already systemic.

THE MYTH: “MORE CONTROL WILL SLOW US DOWN”

Tighter financial control is often seen as a trade-off. In reality, weak control doesn't remove friction, it relocates it.



Finance scrambling to explain numbers rather than analysing them



Commercial teams hesitating on new deals



Board discussions focused on variance instead of direction



Expansion decisions delayed because confidence is low

None of this stops the operation day to day. But it slows decision-making where it matters most.



Executive takeaway

Lack of control doesn't speed things up. It just hides the friction inside finance.

Look at your last board or exec meeting. How much time was spent explaining margin versus deciding what to do next?

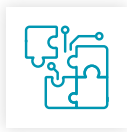
If explanation dominates, control is already slowing the business.

WHY BIG SYSTEM REPLACEMENTS SO OFTEN FAIL

When margin problems surface, the instinct is often to replace core systems.

New ERP. New TMS. Big transformation programme. Many of these promise visibility. Too many under-delivers.

Not because the ambition is wrong but because of sequencing and scope:



Integrations pile up before value is proven



Operational teams are asked to change behaviour mid-flow



Finance requirements are deferred until “phase two”

The result is effort without earlier control.

Trying to rebuild everything at once rarely fixes the timing gap between operations and finance.

If the answer is vague, the risk is high.



Executive takeaway

Replacing systems doesn't guarantee financial certainty especially if the root problem is where control sits.



Quick tip

Before approving any major system change, ask one question: “Which specific margin decisions will this improve in the next 90 days?”

WHAT CHANGES WHEN CONTROL ARRIVES EARLIER

Some operators focus less on replacing systems and more on changing timing.

They introduce a control layer that connects shipment data, rates and billing without disrupting operations.



Expected costs visible before invoices



Charges validated as they occur



Disputes flagged while still small



Margin movement visible during the week, not after the close

It doesn't replace ERP or TMS. It doesn't ask ops to work differently. It simply lets finance see what's happening sooner.



Executive takeaway

Earlier signals reduce later explanations.



Try this

If this worked, what would finance notice first? Fewer accrual swings, fewer disputes, quieter close? Those are the real indicators.

THE FIVE QUESTIONS EVERY LOGISTICS LEADER SHOULD ASK

Be honest:

- 1 Do we know our true cost-to-serve before we price?
- 2 Can we explain margin movement weekly?
- 3 Are carrier charges automatically validated?
- 4 Do disputes protect margin or just create noise?
- 5 Can finance scale without adding headcount?



Each “no” isn’t a failure. It’s a signal about where control is arriving too late.



Quick tip

Start with the question that affects cash flow first. Momentum follows liquidity.

Final Thought

If you were asked to explain last week’s margin tomorrow, before the invoices arrive, would you be confident?

If not, the issue isn’t effort or intent. It’s timing.

| About GN TEQ

GN TEQ helps parcel logistics finance teams bring control forward into the week, not the close by connecting shipment, rate and billing data across existing systems. Nothing is replaced. Operations don't slow down. Finance gets earlier signals and fewer surprises.

If the questions in this guide felt familiar, the next step isn't a transformation programme. It's understanding where control arrives today and how to move it earlier.

Talk to **GN TEQ** about what that would look like in your operation.

