



# LOGISTICS CONTROL TOWERS: THE NEW NERVE CENTER FOR RESILIENT AND EFFICIENT SUPPLY CHAINS

## Abstract

As global supply chains face increasing volatility from geopolitical disruptions, labor constraints, and rising customer expectations, logistics organizations are under pressure to improve both resilience and efficiency. Logistics control towers have emerged as the strategic nerve centers enabling this transformation, providing end-to-end visibility, predictive intelligence, and real-time orchestration across fragmented networks. This paper explores the evolution of control towers—from visibility platforms to AI-driven, agentic operating models—and examines the capabilities, operating frameworks, and measurable business outcomes that define successful implementations. Drawing on industry insights and real-world examples, it demonstrates how next-generation logistics control towers can reduce costs, enhance service levels, support sustainability goals, and deliver sustained enterprise value in an increasingly complex logistics environment.



## Introduction

In today's volatile global landscape, logistics networks are facing a perfect storm of challenges. Geopolitical tensions, labor shortages, and the relentless rise of e-commerce are testing supply chains like never before. The result is rising costs, growing operational complexity, and

an expanding gap between customer expectations and service delivery.

For business leaders, the imperative is clear: resilience and efficiency must be built into the very fabric of logistics operations.

According to Gartner's Top Trends in European Logistics for 2025, 80% of global and large enterprises are expected to adopt logistics control towers (LCTs) as their operating model by 2026—underscoring the urgency for transformation in logistics management (Gartner, 2024).

## The Visibility Imperative

A recurring challenge among logistics executives is the lack of real-time, end-to-end visibility. More than half of organizations cite this as their primary barrier to performance. Fragmented networks drive up freight costs—by as much as 12% annually—and leave enterprises vulnerable when disruptions occur.

The consequences are significant. Customer satisfaction can drop by up to 40% during major disruption events, while recovery times have tripled in recent years. Visibility today is not merely about tracking shipments; it requires integrating data across ERP, WMS, telematics, and partner systems to establish a single source of truth.

Organizations with advanced control towers report measurable gains, including safety stock reductions of 3–6% and improvements of 8–10 percentage points in on-time, in-full (OTIF) delivery performance.

## Rethinking Capabilities for a New Era

Addressing these challenges requires a fundamental shift in logistics capabilities. End-to-end visibility is no longer a competitive advantage—it is a baseline expectation. Leading organizations are deploying IoT sensors, integrating transportation and warehouse management systems, and leveraging real-time dashboards to monitor shipments and inventory.

However, visibility alone is insufficient. Predictive analytics powered by AI enable companies to anticipate demand volatility and disruption scenarios, while robust risk management frameworks ensure contingency plans are actionable rather than theoretical.

Automation represents another critical layer. By orchestrating workflows and dynamically rerouting shipments, organizations can respond to exceptions

in real time, reducing manual intervention and accelerating recovery. At the same time, sustainability has moved to the forefront. CO<sub>2</sub> tracking and green routing are becoming essential to meeting ESG commitments.

McKinsey—who coined the term “nerve centers”—notes that digital control towers allow organizations to sense disruptions earlier and compute globally optimal responses. Gartner further reports that by 2027, more than half of logistics functions will have set carbon-neutral or carbon-positive targets for 2040, with control towers playing a pivotal role in emissions tracking and transparent reporting.

## The Rise of the Agentic Control Tower

The next generation of logistics control towers represents a shift from passive monitoring to active orchestration. These AI-infused, agentic control towers integrate seamlessly with enterprise systems—from ERP to telematics—to deliver true end-to-end traceability.

An AI-powered dispatch engine continuously monitors hundreds of variables, optimizing routes and resources in real time. Omnichannel orchestration unifies captive, third-party, and gig fleets, while embedded sustainability modules track emissions down to the mile—enabling data-driven decisions that benefit both profitability and the planet.

Critically, these capabilities are delivered through scalable, cloud-based platforms, enabling rapid deployment, continuous optimization, and strong governance.

## Operating Model: From Vision to Value

Successful control tower implementations demand more than technology. They require strong centralized leadership, clear governance, and a phased approach to deployment. Gartner highlights that the most effective LCTs foster trust and transparency across ecosystems that include 3PLs, 4PLs, and technology partners.

Many implementations fail due to misalignment with business strategy, poor data quality, or treating deployment as a one-time initiative. High-performing control towers are underpinned by robust operating models—defined governance frameworks, standardized KPIs, service agreements, and performance dashboards that drive continuous improvement.

Global delivery capabilities—spanning 40+ locations with multilingual, 24/7 support—ensure scalability. Flexible commercial models that shift from fixed to variable costs align incentives and unlock incremental value. With pre-built APIs and accelerators, organizations can move from concept to go-live in as little as four months.

## Quantifying the Impact

The business case for modern control towers is compelling. Organizations report freight cost reductions of up to 5%, mode conversion savings of 5–12%, and efficiency gains of 15–20% in logistics service provider management. Workforce productivity improvements are particularly striking, with some enterprises reducing full-time equivalent (FTE) requirements by 25–75%.

OTIF performance improves, dispatch efficiency increases, and customer experience metrics—such as Net Promoter Score—often see double-digit gains.

A global consumer packaged goods leader provides a clear example. By deploying an integrated control tower across 2,000 carriers and 2,500 lanes, the company reduced manual planning by 60%, improved truck utilization by 35%, and lowered total transportation costs by 2%. Handling times dropped by 43%, and the solution was successfully replicated across regions, delivering sustained value.

## Keys to Success

What differentiates leaders from laggards is execution discipline. Clear objectives defined through SMART goals are essential. Comprehensive data integration across ERP, WMS, and TMS platforms creates a single, trusted source of truth. Technology selection must emphasize

scalability, advanced analytics, and interoperability, while change management ensures teams are equipped to adopt new ways of working. Finally, a culture of continuous improvement—supported by predictive analytics and scenario modeling—keeps organizations

ahead of disruption.

Stakeholder engagement, robust data governance, and a pragmatic, phased implementation approach are critical to ensuring long-term adoption and sustained value realization.

## Conclusion

As supply chains grow more complex and the cost of disruption rises, logistics control towers are emerging as the strategic command centers of the modern enterprise. By combining visibility, intelligence, and orchestration, they enable organizations not just to withstand disruption—but to thrive because of it.

For business leaders, the message is clear: the time to invest in next-generation logistics control towers is now.



## Author

### Prashant Nagpure

*Senior Solution Design Head – Sales, Commercial & Supply Chain, Infosys BPM*

Prashant is a supply chain transformation leader with 22+ years of global experience driving AI led and process driven transformations across manufacturing, hi tech, retail, and energy. He leads AI first solution design and GTM for sales, customer, revenue, planning, logistics, and service operations at Infosys BPM, supporting large, complex enterprise pursuits.

He holds a master's in supply chain management from MIT, a PGDM from SPJIMR, and multiple industry certifications including CPIM, PMP, and Lean Six Sigma Black Belt. Prior to Infosys he has worked with HCL Technologies, PwC , Amazon, Tech Mahindra, and World Bank among others.

For more information, contact [infosysbpm@infosys.com](mailto:infosysbpm@infosys.com)



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