

.  Microlise

Standing at the Crossroads

A crucial moment for
UK logistics



Foreword

The UK logistics industry stands on the edge of a technological shift set to redefine how it operates. Businesses that fail to evolve risk falling behind, losing efficiency, investment and competitive edge.

Fleet efficiency and sustainability remain constant challenges across the sector. Add cost control, compliance and transparency, and a fleet manager's role becomes a complex balancing act.

This report presents findings from independent research, commissioned by Microlise to better understand the realities facing frontline logistics professionals in 2025 and beyond. We explored both the perceived challenges and day-to-day pressures transport managers face, revealing valuable insights that guide how we support the industry.

Beyond the challenges, the research highlights clear opportunities for growth.

Our recommendations aim to help businesses boost profitability, maintain compliance and advance sustainability; powered by the same innovation we've championed since 1982.

We're proud to be part of an industry that embraces change. And those ready to adapt will thrive in what promises to be a transformative era for logistics.



Nadeem Raza, CEO, Microlise

Executive summary

As part of this report, we spoke directly with transport and logistics professionals to understand their real-world experiences. Many shared the challenges of juggling multiple platforms to manage fleets, highlighting how this approach compares to using a single, integrated system.

We also uncovered just how much time and money is spent manually handling proof of delivery. When this process falls short, it directly impacts customer service and eats into a transport manager's already busy day.

Survey respondents shared their views on two key topics: sustainability and the growing impact of artificial intelligence (AI). While AI is starting to reshape the industry, adoption remains inconsistent. Sustainability, meanwhile, is still a major challenge, with much progress needed to meet looming government targets.

The range of responses highlights just how varied opinions are across the sector.

Some hauliers have acted fast, equipping their managers with the right tools and gaining an early advantage in a changing industry. Others are falling behind and risking long-term setbacks by delaying the adoption of truly innovative solutions.

The future is clearly tech-driven, and for many, this is a now-or-never moment. The benefits of investing in technology are clear. It's up to each firm to take that step forward. Those that do will be best placed to succeed.

A snapshot of the logistics industry in 2025

Logistics professionals are rightly proud of the essential role they play in keeping supermarket shelves stocked and goods moving across the UK, Europe and beyond.

To understand the state of the industry in 2025, we began our research by gauging frontline sentiment through a series of quick-fire statements about fleet operations. The responses offered insight into how transport managers feel about their tools, challenges and responsibilities.



Tools and resources

When asked whether they had the right tools to work efficiently, **67%** agreed, indicating that most managers feel well-equipped. Just **15%** disagreed, suggesting that operational bottlenecks may lie beyond technology or equipment access.

Driver management

Despite this confidence, driver performance remains a pain point. While **57%** felt in control of managing drivers, **28%** admitted they struggled, highlighting a clear opportunity for improvement in a function critical to profitability.



Regulatory complexity

Regulatory pressure is another growing concern. Nearly half (**48%**) of respondents said they felt overwhelmed by the complexity of fleet compliance. Only **27%** disagreed, while **25%** were undecided, signposting an area where support and clarity are urgently needed.

These findings offer a mixed picture. On one hand, there is confidence and capability. On the other, operational and regulatory challenges persist.

But one thing is clear: technology will be key. Businesses that embrace digital tools will be far better positioned to navigate rising demands and stay ahead of the curve.

Money keeps the wheels of industry turning

Fleet financing goes far beyond fuel, vehicle procurement and maintenance. A lack of clarity around the many cost variables can lead to unintentional overspending and directly impact profitability.

Our research revealed a widespread sense of financial strain among logistics professionals.



When asked whether “Accurately tracking costs is difficult, which makes me concerned about being profitable,” nearly half **(48%)** agreed. Just **31%** disagreed, with the remaining **21%** undecided. This suggests that two-thirds of respondents lack full confidence in their ability to track costs effectively; a concerning insight for an industry where margins are often tight.

A similar pattern emerged when respondents were asked whether “Managing costs and tracking its many variables makes my job difficult.” Again, 49% agreed, while only 25% disagreed. The rest neither agreed nor disagreed, reinforcing the view that cost management is a major challenge for most.

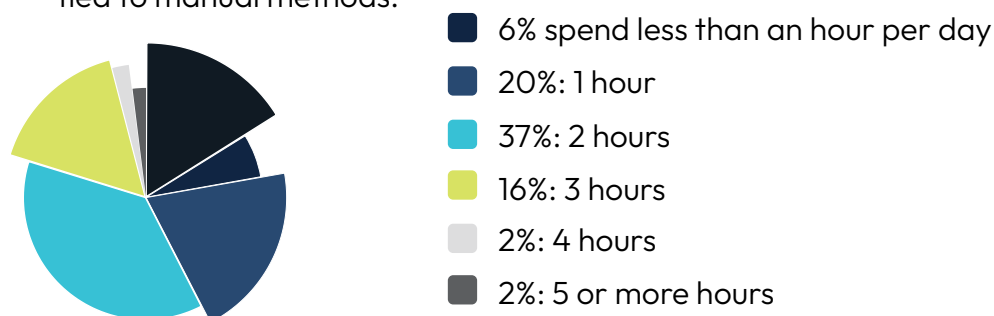
These findings highlight a clear pain point: financial oversight is consuming more time and attention than many fleet managers can comfortably give. Without better tools and systems to simplify cost tracking, this burden could continue to erode profitability across the sector.

Delivery in the digital age

As part of our financial deep dive, we also explored the time and cost businesses lose to manual proof of delivery (POD) processing, a routine task with surprisingly high operational impact.

Time lost to manual processes:

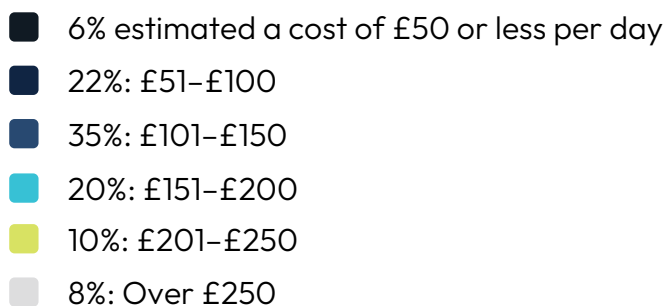
■ Only 16% of respondents reported having a fully automated POD system. The rest are still tied to manual methods:



On average, logistics professionals are spending 1.7 hours per day manually processing PODs. For many, this is even higher, representing a significant daily drain on productivity.

The cost of inaction

When asked to estimate the financial impact of manual POD processing:



The average cost per business is £141.40 per day, purely for handling PODs manually. Over time, these costs stack up dramatically.

On average, businesses are losing 1.7 hours and £141.40 per day to manual PODs. Multiplied across the year, that adds up to a hefty £51,469.60 annually – per company.

In a sector that runs 24/7, 364 days of the year, this equates to an average of £989.80 per week, £51,469.60 per year.

Manual POD processing isn't just inefficient; it's expensive. Our findings show that most logistics companies could reclaim substantial time and money by automating this process, allowing teams to focus on higher-value tasks while improving accuracy and compliance.

Is the customer always right?

Customer service in logistics is a delicate balance. Tight schedules, communication gaps or operational setbacks can quickly escalate into customer dissatisfaction – and ultimately, lost business.

Manual PODs: a source of friction

Manual proof of delivery (POD) processes are a common source of delay and error, often leading to avoidable tension between customers and transport teams.

Our research shows the impact is widespread:



These issues not only frustrate customers, but also consume time and resources to resolve, eroding trust and profitability.

Automation as a solution

Digitalisation and automation offer a clear path forward. By eliminating manual bottlenecks, businesses can provide faster, clearer communication, reduce errors and protect customer relationships.

The bottom line

As long as PODs are processed manually, the risk of service failures remain. Automating this process is not just an operational upgrade, it’s a strategic move to safeguard customer loyalty and protect long-term revenue.

The question of sustainability and environmental impact

In today's environmentally conscious world, logistics companies are under increasing pressure to reduce their impact on the planet. Government targets – such as the UK's ambitious goal to cut emissions by 81% from 1990 levels by 2035 – are non-negotiable. Yet many fleets are still slow to act.

Sustainability: recognised, but not prioritised

While most logistics professionals acknowledge the importance of environmental responsibility, action lags behind awareness. Only 36% of respondents said sustainability and environmental impact were top priorities for their fleets. The remaining 64% view them as important, but secondary to other concerns.

Encouragingly, none of the respondents said these issues were ignored completely, but hesitation to act now could mean falling behind as regulations tighten and customer expectations shift.

A limited use of sustainable practices

Our research highlights a sector still warming up to sustainability. When asked what specific actions their companies are taking:



38%

use route optimisation software to reduce fuel use and emissions



30%

monitor fuel waste through telematics or software



30%

optimise vehicle loads to avoid empty miles



32%

perform scheduled maintenance to keep vehicles running efficiently



20%

collaborate with other companies to share vehicle capacity



19%

use IoT and telematics to capture real-time emissions data



32%

work for companies with clear, measurable sustainability targets

These numbers suggest sporadic efforts rather than systemic change. With fewer than one in three firms setting concrete sustainability goals, there's an urgent need for greater strategic focus and commitment.

Why it matters

Companies leading the charge are already equipped with the tools to measure, monitor and improve environmental performance. From reducing empty running to leveraging real-time data, they're positioning themselves to meet regulatory targets – and customer expectations – with confidence.

Meanwhile, others are playing catch-up. The 2035 deadline is closer than it seems, and those without a clear emissions strategy risk being left behind.

The opportunity ahead

There's still time for businesses to take meaningful action and emerge as sustainability leaders in the logistics sector. But that window is closing. The companies that invest now in greener operations will not only stay compliant but gain a competitive edge in an increasingly environmentally conscious marketplace.

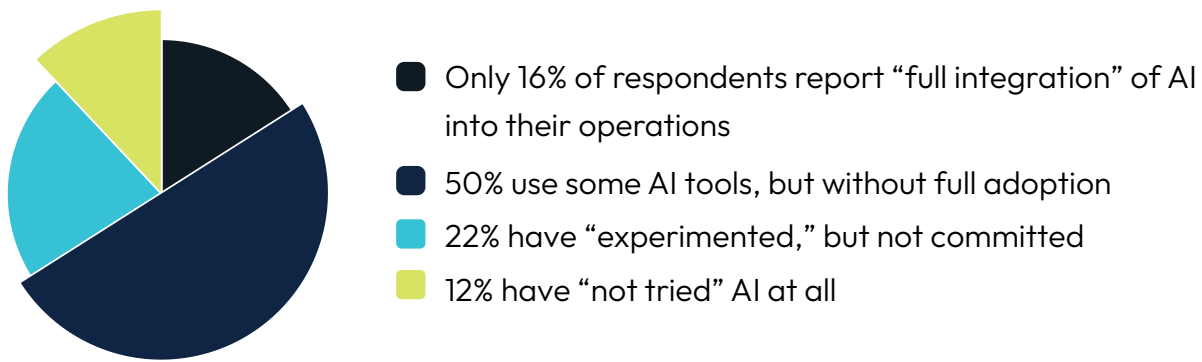


Where does your intelligence come from?

Artificial intelligence (AI) is one of the most talked-about innovations today, often positioned as the magic solution to optimise operations overnight. But in the logistics sector, adoption is still cautious; rooted in realism rather than hype.

Current adoption levels

Our research reveals that AI has yet to become standard practice in fleet management:



While the future of logistics will almost certainly be AI-enhanced, for many, that future remains just over the horizon.

AI momentum is building

Despite slow uptake, signs point to growing momentum:



48%

of organisations are creating or planning roles dedicated to AI implementation



58%

believe AI will help expand the services they can offer



59%

think it could improve job satisfaction



51%

say AI has already increased profitability

49%

remain unconvinced or undecided

This mixed sentiment shows that AI is gaining ground, but it's no silver bullet. And businesses are right to approach with both curiosity and caution.

Balancing opportunity with caution

While AI promises increased efficiency, respondents are acutely aware of its risks:

70%

say ethical issues, accuracy and bias must be fully addressed before adoption

61%

are concerned about rolling out AI without proper safeguards

55%

believe AI could reduce hiring in 2025

46%

fear it may lead to redundancies

The road ahead

AI hasn't taken over logistics, but it is steadily becoming part of the conversation. The key will be thoughtful integration, not wholesale replacement. Automation can ease the burden on transport managers and improve processes, but it must complement – not replace – the expertise built through years on the road and in the office.

For companies that invest wisely, AI can be a powerful ally. For those ignoring its potential (or its risks), the gap between leaders and late adopters will only widen.

The power of integration

Integration is a powerful concept. And in fleet operations, it's not just a technical benefit; it's a strategic advantage. Juggling multiple systems creates unnecessary complexity for transport managers, who often spend valuable time switching between platforms to complete everyday tasks.



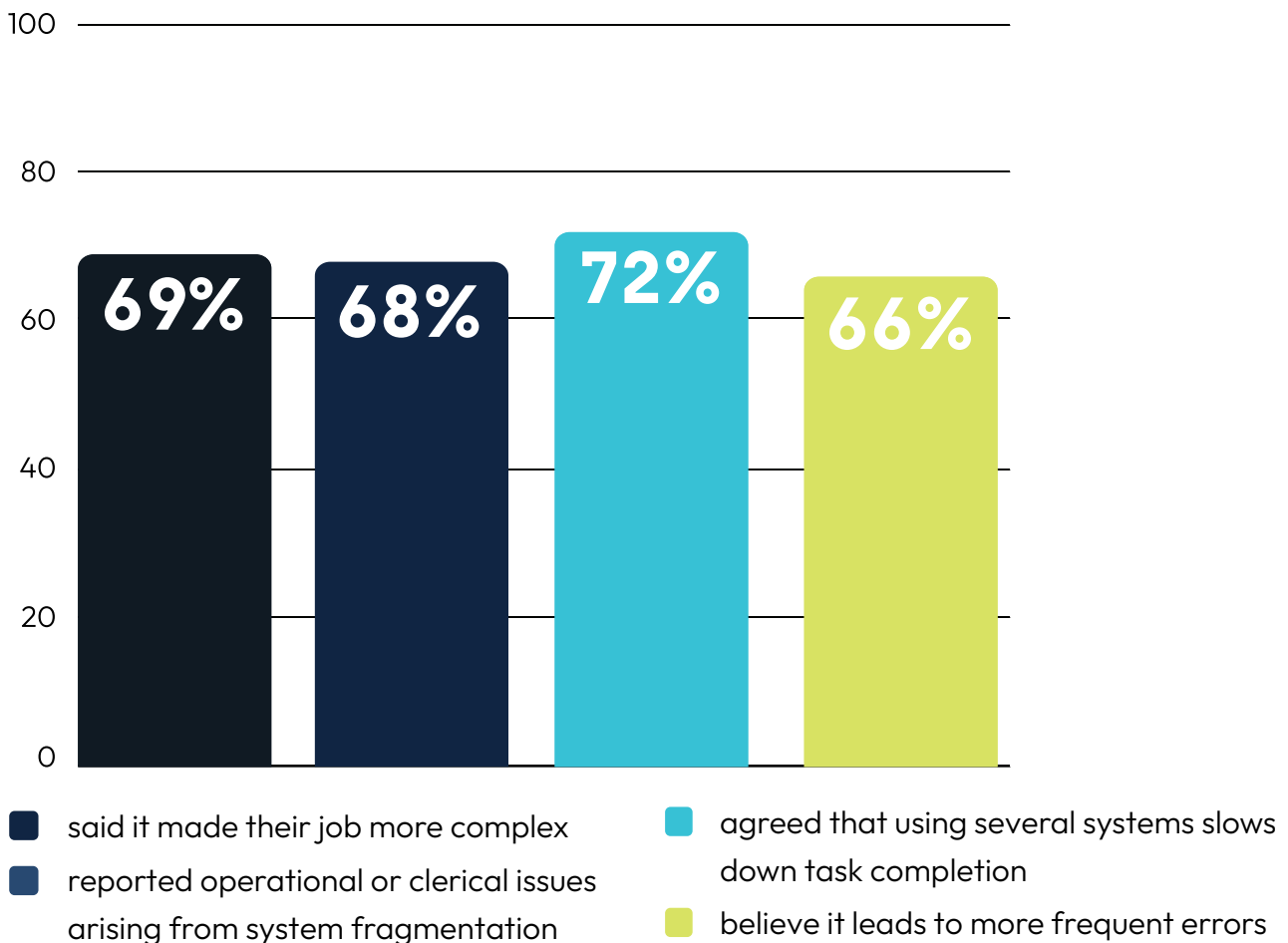
A clear case for unified systems

When asked whether they use a single, unified system or multiple platforms to manage their fleets, only **40%** of respondents reported using an integrated solution. The remaining **60%** still rely on several disconnected systems.

Of those currently using a unified platform, 60% had previously used multiple systems, giving them direct insight into the advantages of integration.

The impact of system fragmentation

Among respondents with experience using multiple systems:



The breakdown of reported issues underscores the problem:



62%

faced small, easily rectifiable issues (clerical or operational)



65%

experienced medium-level issues that caused disruption



19%

encountered major issues with significant business impact

These findings highlight the operational strain caused by scattered systems – errors, inefficiencies and delays that directly affect performance and profitability.

The call for change

The desire for simplification is clear. Transport managers want a “one-stop shop” – a centralised system where all critical tools and information live under one digital roof. The technology is already available and proving its worth in businesses gaining a competitive edge through smarter system design.

Supporting scalable growth

As logistics firms grow, so too does fleet complexity. A unified system with a single login can help teams handle rising demands without being overwhelmed. It improves efficiency, reduces error rates and frees up managers to focus on strategic priorities, not admin.

The bottom line

An integrated fleet management system isn't a luxury, it's a necessity for scalable, error-reduced and agile operations. For transport managers, it's the difference between firefighting and futureproofing.

Conclusion and recommendations

Our survey highlights the complex reality facing today's transport and fleet managers. From juggling inefficiencies and rising customer expectations, to managing sustainability and compliance, the challenges are relentless.

Tracking variable costs remains a persistent struggle, introducing financial ambiguity. Optimising driver and vehicle performance is equally demanding. These pressures not only stretch individual productivity but also constrain business-wide profitability.

The need for tailored investment

There's no one-size-fits-all solution. Each business must invest in tools and systems that align with its specific needs. But across the board, three priorities stand out: streamlining processes, clarifying responsibilities, and above all, integrating systems.

A unified platform that centralises fleet operations would significantly reduce friction, improving visibility, cutting errors and enhancing decision-making. It's a move that can transform operational resilience from the ground up.

Building a resilient, sustainable future

Clarity around environmental goals and regulatory compliance is essential. As the rules evolve, businesses must be proactive – not reactive – in their approach to sustainability. Those that plan ahead will be best placed to adapt quickly and confidently.

Optimism with action

The road ahead may look challenging, but it is filled with opportunity. Tools already exist to ease the burden on fleet professionals, from automating routine tasks to providing real-time insights and supporting smarter decisions.

This isn't a moment to fear change. It's a chance to embrace it. We are indeed standing at the crossroads – at the edge of transformation. For those willing to look beyond the uncertainty, the horizon holds promise.

With the right strategy and the right technology, the logistics sector can evolve, grow and thrive in the years to come.

Appendix one – methodology

Fieldwork on 250 respondents took place between 14-20 February 2025, carried out by 3Gem



136 respondents were male **114** respondents were female

157 respondents were aged under 45

93 respondents were aged 45 and over

The average age of a male respondent was 41.5 years

The average age of a female respondent was 42.8 years

64 respondents were from Scotland, Northern Ireland or the North of England

69 respondents were from Central England or Wales

117 respondents were from London or the South of England

46 respondents' companies employed between 250 and 499 people

78 respondents' companies employed between 500 and 999 people

126 respondents' companies employed more than 1,000 people

73 respondents' business was related to healthcare and pharmaceutical

32 respondents' business was related to manufacturing

32 respondents' business was related to retail

46 respondents' business was related to transport and storage (including postal)

67 respondents described their business as 'Other'

48 respondents classified themselves as the Business owner/Chairman/Board Director/Managing Director or as part of the C-suite, for example Chief Executive Officer/Chief Financial Officer/Chief Operating Officer/Chief Marketing Officer/Chief IT/Tech Officer




202 respondents classified themselves as Senior Manager/Director, for example SVP/VP/Director/Head of Department/Region/Middle manager/Senior Executive

100 respondents used one transport management system

150 respondents used more than one transport management system



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