

Beyond Tracking: Governing Outcomes with AI Agents in Logistics

How operational leaders must shift focus from optimizing processes to defining clear decision rights.

supply chain · automation · governance · logistics

The newsletter for supply chain leaders who prefer defining measurable outcomes over optimizing historical workflows.



The Issue Summary: The Great Shift from Planning to Governance

For the last decade, we've obsessed over visibility. We wanted to see every pallet, every truck, and every delay in real-time on a dashboard. Legacy Transportation Management Systems (TMS) were built for this—they are excellent at telling you where your stuff is right now. But "where it is" isn't the same as "what happens next."

As we move into an era of agentic AI, the problem shifts from tracking movements to governing outcomes. An AI agent doesn't just show you a red dot on a map; it makes a decision—it re-routes a shipment, selects a carrier, or renegotiates a pickup time based on its internal logic. The shift is profound: we are moving from *managing information* to *governing autonomy*.

The danger for most operations leaders is thinking that buying an agentic tool solves the problem of operational complexity. It doesn't. If you don't define the decision rights, the AI won't just automate

your process; it will automate your chaos. We need to stop asking "how do we track this?" and start asking "who owns the final responsibility when the machine makes a choice?"

What is actually happening? Diagnosing *The Delegation Fallacy*

I've spent enough time on logistics floors to know that most leaders fall into what I call **The Delegation Fallacy**. This is the belief that because you have implemented an automated system, you have successfully delegated the task. In reality, you haven't delegated the work; you've simply moved the point of failure from a human operator to a black box where no one feels responsible for it.

I remember watching a regional distribution hub try to roll out an "automated" carrier selection tool. They wanted to get rid of the manual headache of calling five different trucking companies to find a spot on a trailer. The system was technically capable of picking the best route and price based on real-time data. But they never defined what happened when the "best" choice violated a hard constraint—like a specific temperature requirement for a sensitive load that the AI's logic didn't prioritize correctly.

The result? The agent would book a carrier, the shipment would be flagged as non-compliant at the dock, and the floor staff would spend three hours on the phone trying to undo what the "automated" system did. They hadn't delegated the decision; they had just outsourced the headache to a piece of software that didn't have the authority to handle exceptions. The machine acted, but no human was empowered to govern its actions in real-time.

Why do we still keep the keys?



Why is it so hard for organizations to let go and actually define these governance boundaries? It usually comes down to a mix of fear and the comfort of "knowing everything."

For many middle managers, their value—and their sense of security—is tied to being the gatekeeper. If they are the only ones who knows why Carrier A was picked over Carrier B, they remain indispensable. When an agentic system takes that decision-making power away, it feels like a loss of status rather than a gain in efficiency.

Furthermore, there is a deep-seated fear of losing control. Leaders often prefer a slow, manual process they understand over a fast, autonomous one they don't fully grasp. We settle for "partial automation" because it feels safe—we keep the human in the loop at every single step, which sounds good on paper but creates a massive bottleneck in practice.

The Comfortable Rationalization	The Underlying Reality
"We need to keep humans involved to ensure quality."	We haven't defined clear rules for when a human <i>must</i> intervene vs. when they are just micro-managing.
"The AI isn't ready to make these calls yet."	We are afraid of the accountability that comes with letting the system act autonomously.
"We need more data before we can automate this."	We have enough data; we lack the courage to define the decision rights and trust the logic.

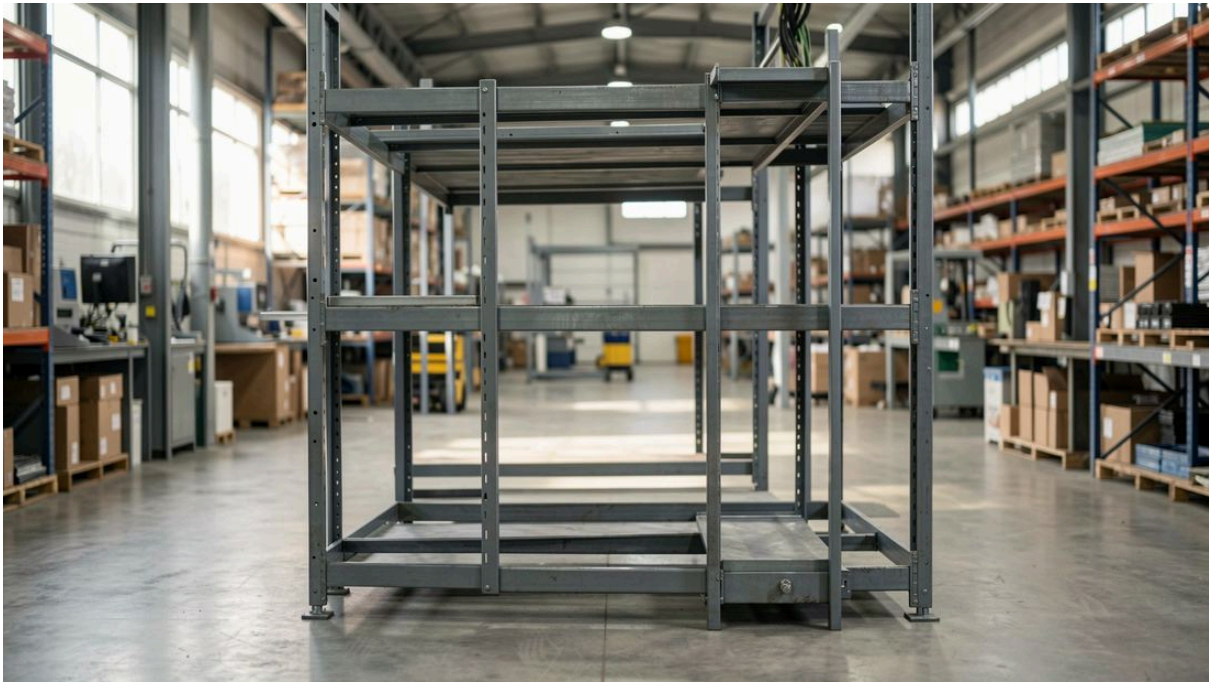
The true cost of partial automation

When you allow AI agents to operate without clear boundaries or human-defined escalation paths, you don't get a "seamless" operation. You get **Ghost Decisions**. These are actions taken by the system that no one explicitly authorized but everyone is forced to deal with afterward.

The costs here aren't just line items on a spreadsheet; they are operational frictions that degrade your culture:

- **Erosion of Trust:** When an agent makes a move that creates extra work for the floor staff (like booking a truck at a facility that was closed for maintenance), the operators lose faith in the technology. They start to view the AI as an adversary rather than a tool.
- **The Correction Tax:** Every time a human has to "fix" a ghost decision, it costs more time and money than if the process had been handled correctly the first time. You end up paying for the automation twice—once for the software's mistake and once for the manual correction.
- **Delayed Escalation:** Without clear rules on when an agent must hand over to a human, problems sit in a "limbo" state. A shipment might stay stuck because the AI doesn't know it's hit a wall, and no one is watching the dashboard closely enough to see it.

A blueprint for operational delegation: The Four Pillars of Agentic Governance



If you want to move from tracking to governing outcomes, you have to build a framework before you turn on the software. You must define the "rules of engagement" for every agent in your stack. Here is how I recommend structuring that governance:

1. **Define Decision Boundaries:** Clearly map out what the AI *can* do without human input. This isn't about everything it's capable of; it's about everything you are comfortable with it doing autonomously. If a decision involves a high-value customer or a safety risk, that is an "out of bounds" zone for the agent.
2. **Establish Escalation Triggers:** Every autonomous action must have a corresponding "tripwire." If a carrier's price jumps by more than 15%, or if a route becomes unavailable due to weather, the system should not just keep trying; it should automatically trigger an escalation to a human supervisor with a summarized reason for the failure.
3. **Verify the "Why" (Auditability):** You must be able to pull back the curtain on any decision the agent makes. If a shipment was rerouted, the operator should see a clear "reasoning log." If you can't explain why the machine did what it did in under ten seconds, your governance is insufficient.
4. **The Feedback Loop:** This is where most people fail. When a human intervenes and corrects an agent's mistake, that correction must be captured as data. The goal isn't just to fix the error today; it's to ensure the system learns the "human" rule for next time.

Taking the concept to your next Gemba walk

You don't need a consulting project to start this work. You can begin by observing how decisions are actually made on the floor right now. On your next walk, look at the dispatch desk or the loading dock and ask these three questions:

- **Identify the "Workarounds":** Ask an operator, "Tell me about a time the system told you to do one thing, but you had to do something else instead." These are your primary candidates for defining new decision boundaries.
- **Map the Escalation Path:** Pick a common problem (e.g., a late arrival). Trace it from the moment of occurrence to the final resolution. Who made the call? How did they know it was time to make that call? If there is no clear "trigger" for that decision, you have an opportunity to build one.
- **Audit the Exceptions:** Look at your last 50 "exception logs." If those issues were handled by a human making a snap judgment, ask yourself: *Could we have written a rule for this?* If yes, then you are ready to move from tracking that problem to governing its solution.

Call to Action

What single process in your supply chain has resisted delegation? Share your diagnosis with us at newsletter@sixsigmakaizen.com, and let's keep the conversation going.

Newsletter replies: newsletter@sixsigmakaizen.com · X: [@kaizen_6sigma](https://twitter.com/kaizen_6sigma)

Stay curious, stay improving,

David Rodgers

SixSigmaKaizen.com

References: Locus: EDGE 2026 Presentation on TMS to Agentic TMS; Core principles of process mapping (BPMN)