

“Although we began the project looking for cost savings, the biggest benefit to consolidation was the reduced paperwork, complexity and hassle.”



Success Story: Logistics Consolidation

Problem:

- Mid-west US manufacturer receiving 8-12 LCL shipments each month from 3 Chinese suppliers.
- Need mechanism to reduce cost and lead time and enable transfer of more volume to Asia.

Action:

- Univalo took over responsibility for freight from incumbent suppliers and changed their Incoterms to FOB Shanghai.
- Phase 1: Set up weekly container consolidation at Shanghai port.
- Phase 2: Transitioned additional sourcing volume from South East Asian suppliers to China.

Result:

- Phase 1: Weekly consolidation drove freight cost per cubic meter from \$170 to \$148 (13% reduction).
- Phase 1: Shift from LCL to FCL shipments reduced average transit time from 40 days to 37 days (8% improvement).
- Phase 2: Additional weekly volume in existing containers raised loading ratio from 60% to 74% (23% increase).