



CONSOLIDATION (CARGO LOADING PROCESS)

What is consolidation or cargo loading process?

Consolidation is the process where a carrier or a shipping company combines several smaller shipments into one full container.

Ideally, consolidation favors both the **carrier** and the **shipper**. In the case of the carrier, it helps to reduce the cost of shipment and to make delivery of goods quicker. And for the shipper with smaller shipment, would not need to pay for a full container shipment.

Consolidation has become standard practice for many shippers worldwide and presents many opportunities for company-wide collaboration. This further allows shippers to keep the customers happy while dealing with the reactive retailers who regularly order small amounts of product.

Benefits & Purpose of Consolidation process

- Minimize shipping costs – a higher volume of freight has lower shipping costs.
- Improved relationship between shippers and carriers.
- Saves time and increases efficiency.
- Better Shipment Scheduling.
- Happier Consumers.

Activities

- Freight consolidation helps carriers reduce their overhead costs.
- It helps to reduce the cost of shipment and to make delivery of goods quicker.

Consolidation Service Options

Air:

- In this method, shipments from multiple shippers share space on an aircraft. All shipments are listed on the same Master Way Bill, but each shipment also has its own House Way Bill. This system keeps cargo organized.
- **Air freight consolidation** is extremely quick and will get the shipment to its destination in the shortest possible amount of time.
- A downside of shipping consolidated freight via air is cost. Moving freight by air tends to be the most expensive shipping option.

Ocean:

- Ocean freight is best for shipping large goods. Typically, **ocean freight** is shipped via containers of varying sizes (20ft wide, 40ft wide, or 40ft tall), and LCL cargo is dispersed into these containers.
- Shipping via ocean is cheaper than shipping via air and is a great method for international shipping.

Ground:

- For this method, LCL shipments are most often referred to as **LTL shipments**.
- These shipments are too small to **fill a truckload** on their own, so they are consolidated with other shipments to create a full truckload.
- Ground shipping is inexpensive but can be slow and is the method most susceptible to delays.

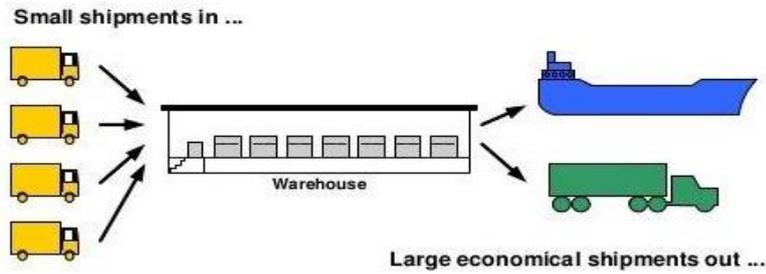


Figure – Consolidation Process

An example for Consolidation process:



As above, this can be done by consolidating the 3 goods into one container, exporting it under **one Master Bill Of Lading** and **3 House Bills Of Lading**.

Steps to create a consolidated shipment in Fresa Gold Application:

- Go to 'Customer Service Module', then select 'All Shipments'.
- Create LCL Export and update all the details like Carrier, Volume and Weight, ETD, ETA, Sailing Schedule.
- Create Shipment and Generate Job.

Above given steps are to be followed while creating a consolidated shipment in Fresa Gold application.

Conclusion

- Freight Consolidation is an incredibly useful tool for shippers, consumers, wholesalers, carriers, etc.
- The initial resources required to create a cohesive consolidation program are far worth the long-term benefit and will keep the consumer and the company happy with both speed and cost.