

ii) **Packaging of product:** It is the most important parameter in determining the cost of logistics. The numbers of pallets that can go in one container depend on the size and the weight of product. It is interesting to note here that although a container may bear the load of shipments but road transportation to final destination may not be possible due to road weight constraints.

iii) **Consolidation of LCL shipments:** The consolidation of LCL shipments can serve as a win-win strategy for shipping line, freight forwarder, buyers, and sellers. In this regard we suggest supply chain managers to choose the freight forwarder that has the maximum console importing in India for optimum rates. Also, it is advisable to negotiate for overall supply chain like origin, sea freight and destination charges and not just one part of the import.

CONCLUSION

Inbound logistics forms the core of supply chain of a company importing material from vendors in international market. The reduced freight costs and inventory costs can translate into reduced cost of production. This helps the firm in a competitive market like India. We took into consideration certain items and vendors for an automotive firm to show how costs can be identified and reduced by following an optimal strategy. It is to be kept in mind that the strategy followed has been based on assumptions of EOQ concept and the total savings may change with the volume change in LCL and FCL. It is to be noted that the demand in the automobile component industry is very dynamic in India and hence the data considered here is of the past one year only. We believe that this simple yet accurate LPP model can be applied in similar industries or similar domains for a cost effective procurement strategy. This study can serve as a base to further investigate as to how LCL consolidation into FCL can reap benefits for an automotive firm.

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