

OPTIMIZATION OF CONTAINER LOAD PLAN
FOR MULTI DESTINATION
CARGO CONSOLIDATION

A Report Submitted

By

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Under the Supervision

Of

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Dissertation submitted in partial fulfilment of the requirements

for the degree Master of Science

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May 2010

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DECLARATION

“I hereby declare that the research work entitled “Optimization of Container Load Plan for Multi Destination Cargo Consolidation” submitted is a record of an original work done by me under the supervision of Mr. T M J A Cooray, Head of Department of Mathematics University of Moratuwa. This research work is submitted in the fulfilment of the requirements of the Master Degree in Operation Research.

The results embodied in this report have not been submitted by anybody to any other university or institute for the award of any degree or diploma.”

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“I assure that out of the best of my knowledge, the information given above is true and correct”

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Date:


13/06/2016



ACKNOWLEDGEMENT

Apart from the efforts of me, the success of this research depends largely on the encouragement and guidelines of many others. I take this opportunity to express my gratitude to the people who have been instrumental in the successful completion of this research.

I would like to show my greatest appreciation to Mr T M J A Cooray, Head of Department of Mathematics, University of Moratuwa, for providing guidance & his tremendous support and help. Without his encouragement and guidance this research would not have materialized.

 University of Moratuwa, Sri Lanka.
I express my sincere thanks to Mr. Dammika Kumara, Supply chain Manager & Mr. Aruna Maddumage (Supply Chain Coordinator) for providing the opportunity to carry out this project and for the guidance. Further I thank the hub operation team who provided information and their inputs to make this project a success. I am grateful for their constant support and help.

Last but not least, I would like to thank my parents for giving wisdom, knowledge, blessings and also guidance or else assurance whenever I needed it. I express my special thanks to my wife for encourage me when ever necessary and her valuable inputs to successfully complete the project.



ABSTRACT

In today's highly competitive global marketplace the pressure on organizations is to find new ways to create and deliver value to customers. In the last two decades, logistics and supply chain management has moved to the centre stage, and has become a key determinant of business competitiveness. With new concepts of Logistics & Supply chain management, every organization in the world is trying to optimise their chain by adopting new ways and means of reducing their operational cost by eliminating waste and introducing new operational procedures.

Marks and Spencer is a customer who procures goods from many countries all over the world which involves a greater amount of transportation. It is a major component when considering total logistics & supply chain cost. In order to reduce and control the transportation cost per item, it is necessary to console goods into containers which will maximize the utilization.

After a detail study, it was revealed that due to inefficient loading or stuffing methods, company had to incur additional cost. Therefore, the supply chain team has introduced a set of rules & guidance to adhere when performing consolidation operation that minimizes total cost. Further, manual planning of load building may not always lead to the optimum solution and could even be inaccurate at times.

Therefore it could be considered, as planning to be a critical role in the process. Automating the planning would help to eliminate all these concerns including time consumption of manual work which will be an indirect expense to the company. Therefore, with the use of Integer Linear Programming in Operation Research, this problem has been solved within the scope of this project.

The operational difficulties of implementing this solution and the areas for further development are also been discussed while discussing and concluding on the project scope. Further, its possibilities of customizing the model to suit similar operational models in the market are discussed.



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ABBREVIATIONS

| | |
|----------|------------------------------------|
| UK | – United Kingdom |
| FOB Date | – Freight On Boat Date |
| FP | – Folded Packs |
| GOH | – Garments On Hangers |
| CFS | – Centralized Freight Station |
| VMI | – Vendor Managed Inventory |
| GP | – General Purpose |
| HC | – High Cube |
| ETD | – Expected Time of Departure |
| PO | – Purchase Order |
| CBM | – Cubic Meters |
| LP | – Linear Programming |
| ILP | – Integer Linear Programming |
| MILP | – Mixed Integer linear Programming |
| USD | – United States Dollars |
| LKR | – Sri Lankan Rupees |



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