

УДК 658.7

## LOGISTICAL COMPONENT IN THE ACTIVITIES OF SMALL ENTERPRISES

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**Abstract.** In the current conditions of economic development, logistics is becoming a key factor in the success of small enterprises. Logistical processes affect the efficiency of operations, cost reduction, and the competitiveness of small enterprises. This paper explores the main aspects of the logistical component in the activities of small enterprises, emphasizing the optimization of logistics processes, supply chain management, and the integration of modern technologies. Based on an analysis of contemporary scientific literature and practical examples, the key challenges and opportunities in the logistics sphere for small enterprises are examined. Recommendations are proposed for enhancing the efficiency of logistics processes and ensuring the sustainable development of small enterprises in a competitive environment.

**Keywords:** logistics, small enterprises, supply chain management, process optimization, competitiveness, technology integration, economic efficiency.

The logistical component is one of the most important functions of enterprise management. Logistics plays a crucial role in the operations of any enterprise, regardless of its size. For small enterprises, which often have limited resources, effective management of logistics processes is key to achieving competitive

advantages, reducing costs, and ensuring stable operation. In the context of the modern globalized economy, where competition is becoming increasingly fierce, small enterprises are forced to optimize their logistics operations for survival and growth. The uncertainty and risks of today lead to the necessity of adapting logistics strategies, including the implementation of more flexible and efficient processes that allow for quick responses to changes in supply, demand fluctuations, and other external factors. Small enterprises need to seek new ways to reduce logistics costs by using modern technologies and strengthening cooperation with reliable partners to minimize the impact of uncertainties on their activities and ensure the continuity of business processes.

Logistical activity is defined as "a system of actions and decisions related to the formation of the optimal ratio of material, financial, and information flows that pass through a sequential chain from the external source to the final consumer of finished products" [1], or as "a set of logistics operations that ensure the movement of incoming, internal (intra-warehouse), and outgoing commodity flows, as well as the associated information and financial flows" [2, p. 104].

It is worth noting that the planning of logistical activities, among other types of enterprise activities, is subject to perhaps the greatest influence of variability and unpredictability of conditions. The constant increase in the cost of material resources and the approach of managerial efforts to achieving competitive advantages necessitate a quick response to market dynamics, defining a clear strategy and tactics for the enterprise's logistics activities. As O. Bodenchuk rightly notes, "the execution of logistics tasks at each stage of material flow management increases the enterprise's competitiveness" [3, p. 132]. Through such management, inventory is reduced, resulting in lower storage and transportation costs, and the quality and level of logistics service are improved. Organizational, technical-technological, and informational unity in the supply chain mitigates the possibility of technological disruptions in the process of moving material (including commodity) flows. Thus, the final consumer receives a product that meets their needs, and the enterprise gains the desired profit and competitive advantages.

However, as R. Sivak points out, "considering the logistics chain as a product movement trajectory is insufficient to understand the processes that shape the competitive position of its participants" [4, p. 6]. In this case, it is worth agreeing with I. Mishchuk's opinion, who suggests that the efficiency of logistics activities should primarily be determined concerning "a certain set of business entities that are united in a logistics chain" [2, p. 105]. This approach will allow evaluating the contribution of each specific participant in the logistics process to the formation of added value and obtaining their share of the benefits.

According to studies, small enterprises often face difficulties in logistics support due to limited financial and human resources. Literature sources indicate that effective supply chain management can significantly improve the competitiveness of small enterprises. For example, research has shown that the implementation of modern logistics technologies, such as process automation and the use of information systems, can lead to significant cost reductions and improved customer service quality. Within a single enterprise, the implementation of a logistics strategy requires the coordination of management functions with individual elements of the logistics system to participate in the formation of an external value chain management system. The concept of the value chain assumes that the consumer is its element, the only one who pays the final product value, evaluates the degree of its utility, and motivates other links in the chain to participate in creating this value [4, p. 6]. To properly and effectively build a logistics chain, it is necessary to present its functioning as a cybernetic system characterized by certain elements, features, and properties [5, p. 135]. This approach is supported by I. Mishchuk: "cybernetic regulation as a tool of logistics management involves managing systems (processes) 'by deviations' of system behavior indicators. However, the implementation of this approach is associated with the need to form an appropriate system of indicators, that is, a set of metrics that would reflect all aspects of logistics activities concerning each of the functional areas of logistics, taking into account the specifics of the particular enterprise" [2, p. 107]. Most often, the logistics activities of an enterprise are assessed by quantitative

indicators such as warehouse size, the number of shipments, etc., while economic efficiency is not given due attention.

Analyzing the current state and trends in the development of small enterprises, we conclude that a significant portion is characterized by a high level of financial instability and the absence of logistics managers on staff. Moreover, the imperfection of tools for evaluating the effectiveness of logistics activities in small enterprises and its insufficient practical development lead to the fact that in most cases, managerial decisions are made intuitively and may be incorrect, resulting in losses for the enterprise.

The study showed that most small enterprises are aware of the importance of logistics for their activities, but face difficulties in optimizing it. The main problems faced by small enterprises include the high cost of logistics services, insufficient integration of information technologies, the complexity of supply chain management, and limited opportunities for collaboration with large logistics companies.

However, the study also revealed that enterprises that invest in modern logistics solutions, such as warehouse management systems (WMS), transportation management software (TMS), and integration with e-commerce, have significantly better results in reducing costs and improving customer satisfaction. Based on the results obtained, it can be argued that small enterprises have significant potential for improving their logistics component. Optimizing logistics processes can become a key factor in increasing their competitiveness in the market. This includes using modern technologies that allow automating processes, reducing costs, and improving customer service.

It is also important to note that effective logistics contributes to a rapid response to changes in the market environment, which is especially important for small enterprises that often do not have large reserves of resources to overcome crisis situations. In this context, cooperation with other enterprises and engaging outsourcing logistics companies can become an effective strategy.

Thus, the logistical component in the activities of small enterprises plays a critical role in the implementation of the commercial strategy of the enterprise. Alongside

marketing activities, logistics operations allow meeting consumer needs and carrying out effective commercial activities. Managing financial flows based on a logistics approach enables the enterprise to organize its work in such a way as to minimize commercial risks and manage inventories efficiently.

However, as the analysis showed, a significant portion of small enterprises in Ukraine does not give due importance to the proper interaction of structural elements of logistics processes. The need for further research is seen in developing methodological recommendations for improving the logistics activities of small enterprises based on the study of logistics structures.

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