

LOGISTIC COORDINATION OF PARTICIPANTS IN THE LOGISTICS PROCESS

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Logistic coordination is the coordination of the activities of the logistics system participants, involved in the promotion of material, information and financial flows. Logistic coordination of the participants helps to coordinate the activities of the links of the logistics system participating in the promotion of material, information and financial flows.

In logistics management, there are two types of coordination of participants: cross-functional and inter-organizational. Inter-functional coordination is concerned with the coordination of the enterprise divisions' activities to improve the efficiency of the logistics system, and the inter-organizational logistics coordination – with streamlining, coordination of the work of partner enterprises in the integrated logistics system to achieve its goals.

Inter-organizational logistic coordination is divided into horizontal and vertical. Horizontal logistics coordination means the interaction of companies located at the same level of the logistics system (in the stage of the logistics chain). Vertical coordination means the coordinated functioning of organizations representing different values, or stages of the logistics system. Issues of inter-organizational logistics coordination affect the relationship of the company with its suppliers and logistics intermediaries, determining the configuration of the logistics network, key indicators of the logistics plan, joint information system, distribution of profits, risks, responsibilities between contractors of the logistics system.

Inter-functional logistic coordination is understood as the coordination in the management of the enterprise of the activities of departments but the parameters of conflicts related to logistics. The parameters of conflict situations requiring logistical coordination are most often: the frequency of purchases, the duration of the delivery cycle, the level of stocks created, the size of the purchased batch, containers and goods, the range of the cargo unit, the range of services provided and the quality of service. Basically, these parameters relate to tactical and operational management. At the strategic level, conflicts over logistics parameters can also arise, and they mainly relate to the choice of regions for product sales, consumer service policy. The transition from the management of individual functions to the integrated management of logistic actions is associated with a violation of the multifunctional boundaries of the work of various services of the company; therefore, it is fraught with the

appearance of undesirable organizational incidents. Coordination of participants in the logistics process helps to effectively manage these clashes of interests, as well as those conflict situations that "usually" appear due to the conflicting goals and interests of different divisions of the organization.

The usual organization of managing the participants in the logistics process consists of controlling separate divisions, for example, the procurement department (purchasing service), the production and technical department, the financial department, the management department, the sales service, and so on. These divisions have their own "value system" characterized by local goals. Due to discrepancies in local goals between the participants in the logistics process, incidents of interest often appear. Almost all incidents are linked to parameters directly related to logistics, for example, the value of supplies, logistics losses, budget, production size, product list, characteristics and properties of consumer services, duration of logistics cycles, and so on. Incidents also appear in connection with the presence of cross functions, by definition related to logistics, although attached to other divisions of the company. Correct coordination between the participants in the process helps to avoid conflicts and concentrate on achieving the main goal of the company. The development of conflicts within the company is fraught with deviation from the strategic goals of the company, the victory of "parochial" thinking. In the best case, here it is possible to achieve local optima in certain areas to the detriment of systemic efficiency. The ability of the company's management to identify divergences of interests and to establish interaction and coordination between participants in the logistics process to overcome and prevent them is of great importance.

To summarize, we can say that the coordination of the participants in the logistics process plays a very important role in the company. Each logistics company should pay enough attention to coordination between participants, as this is the key to high quality and uninterrupted work of the company and helps to avoid conflicts between participants. Integration and coordination of any links in the logistics process is an important criterion for effective the functioning of the entire distribution system.

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