

### **Logistics in a management system**

*During the research, we summarized that thanks to the practical implementation of the principles of logistics management, it is possible to increase the organizational and economic sustainability of the enterprise. The principles of conflict resolution between functional divisions have been determined. Provisions for ensuring comprehensive interaction with logistics partners and advantages in achieving additional competitive advantages are analyzed.*

Logistics closely interacts with production management. This interaction is especially clearly manifested in the process of inventory management in the production process, organization of orders for material resources in the company's divisions, management of intra-production transport, warehouse management, etc. Logistics management is the process of administration of the logistics system, that is, the performance of basic management functions, which is based on the theory of logistics. The organization is considered as a logistics management system, as a single organizational and economic structure consisting of the company itself, suppliers of raw materials, materials and components, consumers of finished products, and also includes a system of transport and warehouse management.

The logistics mission should provide the company with a system of vision of the high quality of its products and services, competitiveness and production and marketing activities. The main relationships of the logistics management system are relationships between suppliers and the company and between the company and consumers. In the process of its production and economic activity, the company constantly enters into direct and indirect relations with suppliers, consumers and competitors. Management subjects in logistics are individual employees who perform logistics functions, as well as structural units engaged in the implementation of logistics tasks. For the effective functioning of logistics, it is necessary to have personnel who manage logistics processes. Logistics specialists can be divided according to their role in the management hierarchy of the logistics system into: top management, middle management and lower management [5].

Logistics strategy is a way of realizing optimization and adaptive properties of logistics in the long term by the management bodies of the enterprise.

Main logistics strategies:

1. Minimization of total logistics costs.
2. Improving the quality of logistics service.
3. Minimization of investments in logistics infrastructure.
4. Logistics outsourcing.
5. Dynamic logistics.
6. "Frugal" logistics.

Table 1.

Comparison of "frugal" and dynamic logistics strategies

<b>Factors</b>	<b>"Frugal" logistics strategy</b>	<b>Dynamic logistics strategy</b>
Goal.	Efficient operations.	Flexibility to meet demand.
Method.	Elimination of all unproductive areas.	Consumer satisfaction.
Limitation.	Customer service.	Costs.
Dynamics of changes.	Long-term stability.	Dynamic response to changing circumstances
Activity parameters.	Productivity, completeness of use.	Order fulfillment time, service level.
Work.	Unified, standardized.	Variable, control is carried out more locally.
Managemet.	Within formalized planning cycles.	Less structured, carried out by personnel with appropriate authority.

Let's consider the main approaches to the definition of the concept of a logistics system, currently existing in foreign and domestic literature. The lack of a generally accepted structure of the logistics system can be seen from a number of definitions. The generally accepted definition of a logistics system sounds like an adaptive system with feedback, which performs certain logistics functions, usually consists of several subsystems and has developed connections with the external environment [4].

Repeatedly using both systemic approaches and cybernetics approaches in the process of analysis and synthesis of logistics systems, it is still believed that these definitions are insufficiently constructive from an economic point of view. The logistics system is interpreted as "...a complex organizationally complete economic system consisting of elements that are interdependent in a single process of managing material and accompanying flows of elements - links, the totality of which, the limits and tasks of functioning combine the internal goals of the business organization and external goals" . Actually, one cannot agree that this definition is more accurate. However, as S. Bortnik points out, he narrows the concept of a logistics system exclusively to business structures that, as a rule, aim to maximize profits, while some logistics systems, especially at the level of territorial or administrative-territorial entities, aim to maximize profit are often created for the purpose of solving socio-economic, environmental and other similar tasks, and not for profit [3].

For example, to improve the environmental situation in the region, a logistics system for optimizing regional transport and cargo flows can be created, which solves the task of optimizing routes, solving transport flows, switching transportation from one mode of transport to another, etc. From this point of view, we agree that the definition is more acceptable: "a logistics system is a system whose elements are material, financial and information flows, on which logistics operations are carried out, combining these elements among themselves." , based on general goals and performance criteria", since in this case we are talking about general performance criteria, and not partial corporate goals, as in the previous interpretation. At the same time, S. Bortnik notes that flows as such cannot exist and, accordingly, constitute a system without a set of a number of other elements - suppliers, manufacturers, intermediate and main warehouses, transport companies, distribution networks, etc. Thus, the process of formation and transformation of the material flow is impossible without sequentially interconnected production divisions and divisions of the sphere of circulation [2].

So, in the theoretical and cognitive aspect, the "logistics system" is, first of all, a kind of economic system. More specifically, it is a subsystem of the economic system. It is formed by the flow integration of elements that implement logistics functions. Logistics flows (material, labor, personnel, financial, transport, information, etc.) are the unifying principle of elements and subsystems of the logistics system [1].

Defining the category "logistics management", we share the views of the vast majority of scientists that it should be based on a combination of management and logistics theories.

So, after summarizing the works of both foreign and domestic scientists, logistics management should be understood as one of the key directions of general management and a defined component of the logistics management of enterprises, which is implemented through the integrated management of material flows and personnel, technical means and information, service and logistics processes and operations within the logistics system to achieve maximum effectiveness and efficiency of each of its subsystems and maximum satisfaction of end-user requirements with minimum costs.

## References

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