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Ковальська Любов, д.е.н., професор, декан факультету бізнесу та права*Луцький національний технічний університет*<https://orcid.org/0000-0003-2924-9857>*kovalska.lyuba@gmail.com***Kovalska Liubov, D.Sc. (Economics), Professor, Head of Department of Business and Law***Lutsk National Technical University*<https://orcid.org/0000-0003-2924-9857>*kovalska.lyuba@gmail.com***Барський Юрій, д.е.н., професор, декан географічного факультету***Волинський національний університет імені Лесі Українки*<https://orcid.org/0000-0001-9937-9847>*Bum_1974@ukr.net***Barskyi Yurii, D.Sc. (Economics), Professor, Head of Department of geography***Lesya Ukrainka Eastern European National University***Оніщук Владислав, аспірант***Луцький національний технічний університет**betmer2407@gmail.com***Onishchuk Vladyslav, graduate student***Lutsk National Technical University*

LOGISTICS BUSINESS PROCESSES IN ENTREPRENEURSHIP: ESSENCE AND TYPES

The article substantiates the role and importance of logistics business processes in entrepreneurship. It is noted that any logistics business process is aimed at creating value for customers (consumers of products), the value chain, and the mechanism for transforming enterprise resources into income. A review of existing approaches to the content of the concept of „logistics business process” of enterprise is carried out. The carried out literature review allowed to allocate two main approaches to the content of the concept of logistics business process: logistics business process is a way of creating value for the enterprise (from the client's side, consumer satisfaction with product quality, delivery quality, logistics service quality, logistics service quality); logistics business process is a method and way of doing business that allows the enterprise to maintain a strong position in the market environment and receive a stable profit. It is proved that the main options for applying the logistics business processes of an enterprise are: assessment of the efficiency of the enterprise's logistics activities; assessment of the logistics potential (logistics capacities) of an enterprise; optimisation of logistics business processes in terms of creating value for the customer. It is substantiated that the implementation of logistics business processes allows to assess the efficiency of the enterprise's logistics activities, to identify problems in the supply of raw materials and materials, storage of goods, production of products; to evaluate the logistic capacities of the enterprise and the efficiency of their use; as well as optimize main/support logistics business processes, improve logistics operations and logistics functions. The article considers approaches to the types of logistics business processes at an enterprise. The authors propose the following types of logistics business processes: material and technical supply (supply logistics); warehousing of raw materials and finished products (warehouse logistics); production logistics; sales logistics; transport logistics.

Keywords: *logistics, logistics activities, business processes, entrepreneurship, enterprise, value, profit*

ЛОГІСТИЧНІ БІЗНЕС-ПРОЦЕСИ У ПІДПРИЄМНИЦТВІ: СУТНІСТЬ ТА ВИДИ

У статті обґрунтовано роль та значення логістичних бізнес-процесів у підприємстві. Зазначено, що будь-який логістичний бізнес-процес спрямований на створення цінності для клієнтів (споживачів продукції), ланцюга цінності, механізму перетворення ресурсів підприємства у дохід. Проведено огляд існуючих підходів до змісту поняття «логістичний бізнес-процес» підприємства. Проведений огляд літератури дозволив виділити два основних підходи до змісту поняття логістичний бізнес-процес:

логістичний бізнес-процес представляє собою спосіб створення цінності для підприємства (зі сторони клієнта, задоволеності споживача якістю продукції, якістю доставки, якістю логістичного обслуговування, якістю логістичних послуг); логістичний бізнес-процес представляє собою метод та спосіб ведення бізнесу, який дозволяє підприємству утримувати міцні позиції у ринковому середовищі та отримувати стабільний прибуток. Доведено, що основними варіантами застосування логістичних бізнес-процесів підприємства є: оцінка ефективності здійснення логістичної діяльності підприємства; оцінка логістичного потенціалу (логістичних потужностей) підприємства; оптимізація логістичних бізнес-процесів з точки зору створення цінності для клієнта. Обґрунтовано, що здійснення логістичних бізнес-процесів дозволяє оцінити ефективність ведення логістичної діяльності підприємства, виявити проблеми у постачанні сировини та матеріалів, складуванні товарів, виробництві продукції; оцінити логістичні потужності підприємства та ефективність їх використання; а також оптимізувати основні/допоміжні логістичні бізнес-процеси, удосконалити логістичні операції та логістичні функції. Доведено, що ефективне здійснення логістичної діяльності підприємства потребує здійснення ряду логістичних бізнес-процесів. У статті розглянуто підходи до видів логістичних бізнес-процесів на підприємстві. Авторами запропоновано такі види логістичних бізнес-процесів як матеріально-технічне постачання (логістика постачання – постачання сировинних ресурсів на підприємства); складування сировини, матеріалів та готової продукції (складська логістика – створення складських запасів матеріалів, сировини); виробнича логістика (виконання виробничої програми підприємства із мінімальними втратами ресурсів); збутова логістика (організація системи продажу товарів); транспортна логістика (процес організації та доставки товару до кінцевого пункту призначення).

Ключові слова: логістика, логістична діяльність, бізнес-процеси, підприємництво, підприємство, цінність, прибуток.

General statement of the problem and its connection with important scientific or practical tasks. Entrepreneurship as a type of economic activity is in constant dynamic environment. Such turbulent conditions set new benchmarks for the development of business entities, which require constant review and improvement of business processes. Logistics activities in business include a number of logistics business processes, starting with the purchase of raw materials for the implementation of the production programme and efficient use of the company's logistics capacities, ending with the delivery and sale of finished products to end consumers. Each logistics business process has specific features, duration of logistics operations, responsible persons, and includes logistics functions and logistics tasks.

Any logistics business process is aimed at creating value for customers (consumers of products), the value chain itself, and the mechanism for converting enterprise resources into income. Therefore, it is important to study logistics business processes, develop measures for their optimisation and transformation to maximise the satisfaction of the needs of customers and employees.

Analysis of the latest research and publications that have begun to address this issue. Despite significant research on the study of logistics business processes, there is still no single position on this concept. The study of the essence and features of logistics business processes was carried out by such scholars as Alkema V., Ilchenko N., Krykavskiy E., Lytvynenko A., Matvieieva E., Ovcharenko A., Solodka O., Skryl V., Cherchata A., Chuieshov O., Shevchenko I., Shyshkin V., Shynkarenko V. and others.

Objectives of the article. The article is aimed at studying the essence and types of logistics business processes in entrepreneurship.

Presentation of the main research material with full justification of the scientific results obtained. Table 1 provides an overview of existing approaches to the content of the concept of „logistics business process”.

Table 1: Overview of existing approaches to the content of the concept «logistics business process»

Meaning of the concept	Source
1 approach: a way to create value for the enterprise	
“a set of actions by which value is created by using favourable opportunities; a set of ways of doing business in a company, rules for doing this business, which underlie the strategy” [1] (<i>Zott, 2010</i>)	Zott C.
“a link in the value chain between resource provision and economic result; a reflection of a real existing or planned future business (enterprise) in a form that can clearly demonstrate all the significant properties and features of the enterprise related to its ability to make a profit and be competitive” [2] (<i>Chesbrough H., 2002</i>)	Chesbrough H.
“a description of how an organisation creates economic, social and other values” [3] (<i>Osterwalder, 2010</i>)	Osterwalder A.
“ways to increase the value of the enterprise itself, focusing on maximising profitability” [4] (<i>Eisenmann, 2002</i>)	Eisenmann T.
“a set of different types of logistics activities, in which one or more resources are used as input, and as a result of this activity, a product of value to the consumer is created as output” [5] (<i>Ilchenko, 2016</i>)	Ільченко Н.
“an interconnected set of operations and functions that transform the resources of the enterprise (in the management of commodity and related flows) into the result set by the logistics strategy of the company” [6] (<i>Perevahy modeliuvannia biznes-protsesiv, 2020</i>)	3D VOK Group
“processes that focus on planning the movement of materials, procurement, production and delivery of construction products to consumers” [7, 8] (<i>Cherchata and Matvieieva, 2011</i>); (<i>Solodka, 2010</i>)	Cherchata A.O., Matvieieva Ye., Solodka O.
“a set of consistent, interconnected systematic actions within the framework of the development strategy aimed at the formation and use of potential in the course of a certain type of activity in order to create competitive products (services, works) capable of satisfying external and internal consumers and ensuring the company's achievement of strategic goals in a dynamic market environment” [9] (<i>Alkema, 2019</i>)	Alkema V.
2 approach: a method, a way of doing business	
“the way an enterprise chooses a consumer, forms and differentiates its offers, allocates resources, determines which tasks it can perform on its own and for which it will have to involve specialists from outside; the way it enters the market, creates value for the consumer and makes a profit; a description of an enterprise as a complex system with a given accuracy, within which all objects (entities), processes, rules for performing operations, the existing development strategy, as well as criteria for assessing the effectiveness of the system's functioning are displayed” [10] (<i>Magretta, 2002</i>)	Magretta J.
“a system that reflects what actions a company performs, how it performs them and when; a method of doing business by which a company can sustain itself, i.e. make a profit” [11] (<i>Afuah, 2004</i>)	Afuah A.
“a way in which an enterprise provides goods and services to consumers” [12] (<i>Mitchell, 2003</i>)	Mitchell D.
“a simplified reflection of the mechanism of conducting certain economic activities related to the production of products (sale of goods, provision of services, performance of works) that are valuable to the consumer and ensure profit” [13] (<i>Skryl, 2016</i>)	Skryl V.
“an organised sequence of actions that, in their entirety, are engaged in the implementation of one of the enterprise's activities at all stages of the life cycle of the subject of activity - from the creation of a conceptual idea through design to implementation and result (commissioning of the facility, supply of products, provision of services, completion of a certain phase of activity), i.e. a certain systemically closed process” [14] (<i>Lytvynenko, 2020</i>)	Lytvynenko A.

The conducted literature review allowed to allocate two main approaches to the content of the concept of the logistics business process of an enterprise (Fig. 1):

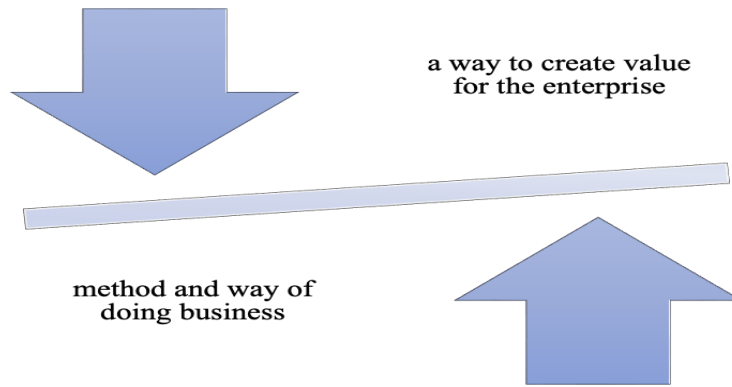


Fig. 1. Approaches to the content of the concept of enterprise logistics business process

- According to the first approach, a logistics business process is a way of creating value for an enterprise. In this case, value can be viewed from two perspectives: from the customer's side, customer satisfaction with product quality, delivery quality, logistics service quality, and logistics service quality; and from the employee's side, satisfaction with working conditions, remuneration, incentive system, career and professional growth, etc;

- According to the second approach, a logistics business process is a method and way of doing business that allows an enterprise to maintain a strong position in the market environment and generate stable profits.

The main options for applying the logistics business processes of an enterprise are as follows (Fig. 2):

- assessment of the efficiency of the enterprise's logistics activities;
- assessment of the logistics potential (logistics capacities) of the enterprise;
- optimisation of logistics business processes in terms of creating value for the customer.

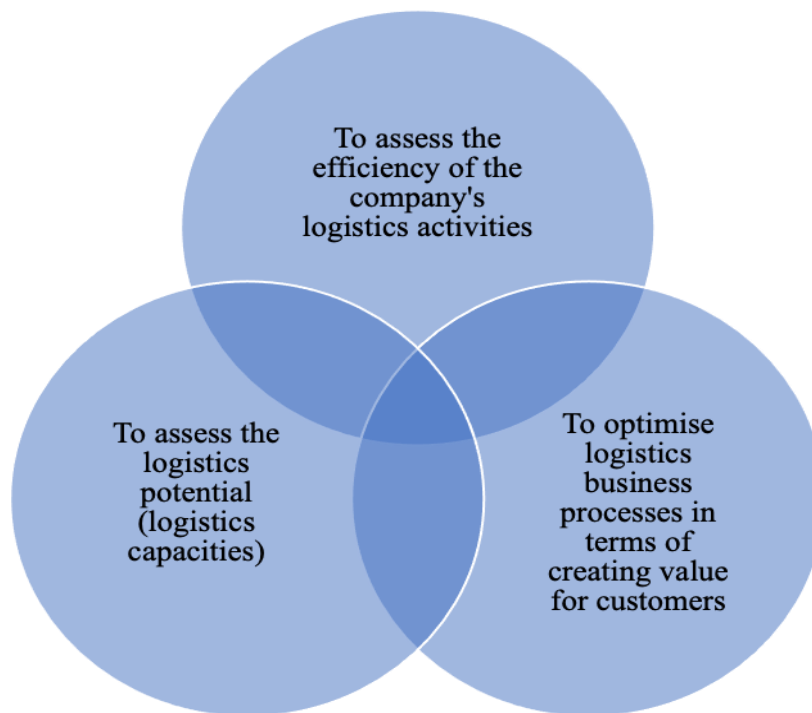


Figure 2. Options for applying logistics business processes at the enterprise

The implementation of logistics business processes allows to assess the efficiency of the enterprise's logistics activities, identify problems in the supply of raw materials, warehousing, and production; assess the enterprise's logistics capacities and the efficiency of their use; and optimise the main/auxiliary logistics business processes, improve logistics operations and logistics functions.

Effective implementation of the company's logistics activities requires a number of logistics business processes. Despite the wide variety of opinions on the types and classification of logistics business processes at an enterprise, there is still no single generalised position on this issue. Let us try to consider the existing approaches to the types of logistics business processes at an enterprise.

Some scholars study such types of logistics business processes at an enterprise as supply, production, sales, transportation and warehousing [16] (*Shevchenko, 2017*). Other researchers focus on the planning of goods movement, logistics, warehouse logistics and accounting of goods in warehouses, sales and service logistics [17, 18] (*Vynohradskyi, 2002*), (*Shyshkin, 2016*). Research [19] identifies the following logistics business processes in the context of the supply chain: demand plan - sales plan - distribution plan, production planning - procurement plan. At the same time, the author distinguishes between main and auxiliary logistics business processes. The main ones include “the formation of a production programme, customer service, warehousing, and product delivery” [9] (*Alkema, 2019*). The auxiliary logistics business processes are “assessment of the quality of work by key indicators, information support, personnel and organisation of logistics, financial management in logistics, formation of a logistics network, quality in logistics” [19] (*Krykavskyi, 2013*).

Other scholars divide logistics business processes into the following: basic: procurement of material resources; production; sales of products; maintenance and service; supporting: transportation of material flows; warehousing of material flows; support of the logistics infrastructure of the enterprise; management of logistics personnel; development of logistics technologies [20] (*Lohistychnyi menedzhment farmatsevychnoho vyrobnytstva, 2011*).

Scientists also provide a classification of logistics business processes at an enterprise. According to the content of the logistics work, they are as follows: 1. the execution of a logistics business process, for example, logistics. 2. Planning of the logistics business process, for example, planning of material resources for the implementation of the production programme. 3. Collection, processing and analysis of information for the implementation of logistics business processes (information support for the supply of material resources, production, sales, transportation of products). 4. Control over the implementation of logistics business processes (control of incoming and outgoing logistics flows, control of logistics flow processes, control of production, warehouse, sales and transport logistics). 5. Making managerial decisions in the field of implementation of logistics business processes at the enterprise (development of a logistics strategy, optimisation of management of logistics flows at the enterprise) [21, 22] (*Ponomarenko, 2010*), (*Shynkarenko, 2014*).

Ovcharenko A.H. identifies the following logistics business processes in entrepreneurship: supply process (purchase of raw materials, materials, order processing, planning of material resources, procurement, organisation of storage of raw materials in warehouses); production process (formation of logistics capacities, formation of production programme, formation of assortment policy); sales process (selection of product sales channels, selection of types of vehicles, selection of cargo transportation routes) [15] (*Ovcharenko, 2018*). The team of authors Chuyeshov O.V., Sahaidak-Nikitiuk R.V., Kozyreva O.V. distinguish the following main (procurement of material resources, production, sale of medicines, maintenance and service) and auxiliary logistics business processes (transportation of material flows; warehousing of material flows; support of the logistics infrastructure of a pharmaceutical enterprise; management of logistics personnel; development of logistics technologies) [23] (*Shynkarenko, 2013*). Solodka O.V. identifies the main logistics business processes that “participate in the creation of the core value oriented to the consumer, namely: production;

design; marketing; sales and auxiliary business processes, those that support the main business processes: logistics; infrastructure management; personnel management; logistics management; legal support, etc.” [8] (*Solodka, 2010*).

We consider it appropriate to distinguish the following logistics business processes in entrepreneurship: material and technical supply (supply logistics); storage of raw materials and finished products (warehouse logistics); production logistics; sales logistics; transport logistics.

Material and technical supply is the process of providing an enterprise with all the necessary types of material and technical resources in a timely manner and in the amount required for normal operation.

Warehouse logistics is “the technology of managing all types of stocks at an enterprise and their movement (their accounting and efficient distribution). Warehouse logistics is part of the organisation of the cargo delivery system, so it closely interacts with transport logistics. The main purpose of warehouses in terms of logistics is the accumulation of stocks, materials, raw materials and other resources, their storage for a certain period of time, ensuring uninterrupted and rhythmic supply to consumers” [24] (*Musatov, 2020*).

Production logistics is the process of organising the production of products, implementing the production programme of an enterprise with minimal losses of raw materials, working time and equipment.

Sales logistics is “the process of managing the commercial, channel and physical distribution of finished products and services in order to meet customer demand and generate profit” [25] (*Tkachenko, 2021*). In sales logistics, direct sales channels can be used, where an enterprise independently organises a system for selling its product, and indirect sales channels through the use of intermediaries.

Transport logistics is the process of organising and delivering goods to their final destination. Different types of transport can be used for the delivery of goods: road, rail, water, and air. Transport logistics is aimed at efficient use of the vehicle, full loading of the vehicle, development of effective routes for the transport of goods, etc.

Conclusions. Thus, the study of logistics business processes will allow to identify problems in the organisation of logistics activities of an enterprise, and, accordingly, to develop directions for their transformation.

Author's contributions:

Conceptualization: Kovalska Liubov, Barskyi Yurii, Onishchuk Vladyslav

Data storage: Kovalska Liubov, Barskyi Yurii, Onishchuk Vladyslav

Formal analysis: Kovalska Liubov, Barskyi Yurii, Onishchuk Vladyslav

Purchase of funding: Kovalska Liubov, Barskyi Yurii, Onishchuk Vladyslav

Methodology: Kovalska Liubov, Barskyi Yurii, Onishchuk Vladyslav

Project administration: Kovalska Liubov, Barskyi Yurii, Onishchuk Vladyslav

Visualization: Kovalska Liubov, Barskyi Yurii, Onishchuk Vladyslav

Writing: Kovalska Liubov, Barskyi Yurii, Onishchuk Vladyslav

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