

Ministry of Education and Science of Ukraine
Ukrainian-American Concordia University
Department of International Economic Relations, Business & Management

Bachelor's Qualification Work

Organizational activity as a general function of management
(on the basis of __Service Plus, LLC)

Bachelor's student of
Field of Study 07 – Management
and Administration
Specialty 073 – Management
Educ. program – IT Management

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Doctor of Philosophy

(academic degree, full name)

(signature)

Kyiv – 2022_

Annotation

Anastasiia Tolokonnikova. Organizational activity as a general function of management (on the basis of __Service Plus, LLC).

Bachelor's Qualification Work of Field of Study 07 – Management and Administration; Specialty 073 – Management Educ. program – IT Management.

Ministry of Education and Science of Ukraine. Ukrainian-American Concordia University. *Department of International Economic Relations, Business & Management.*

The Bachelor's Qualification Work explores aspects of enterprise's activity, main functions of it: Service Plus, LLC. Relevance of the topic of Bachelor's Qualification Work. To ensure effective management of enterprises, the correct understanding and application of the main functions of management plays an important role. The purpose of the study of Bachelor's Qualification Work. The purpose of Bachelor's Qualification Work is to study organizational activity as a general function of management.

In this work topics are shown: **Analytical aspect of organizational activity, Recommendations of improvement of the enterprise's activity, General characteristics of the enterprise "Service Plus".**

The expediency of implementation of the selected measures and recommendations for improvement of the system and process of a general function of management at the enterprise was economically substantiated. The forecast of financial and economic results after the implementation of the proposals was made.

Key words: the effectiveness, organizational activity, organizational process, structure, type of management activity, functional, analysis of the structure.

PHEE-institute «Ukrainian-American Concordia University»

Faculty of management and business

Department of international economic relations, business and management

Educational level: **bachelor degree**
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Educational Program “Management”

APPROVED

Head of Department _____

“ ” _____ 202__

TASK
FOR BACHELOR’S QUALIFICATION WORK

Anastasiia Tolokonnikova

(Name, Surname)

1. Topic of the work

Organizational activity as a general function of management

Supervisor of the work _____,
(surname, name, degree, academic rank)

Which approved by Order of University from “22” **December 2022 №22-12/2022- 3c**

2. Deadline for bachelor’s qualification work submission “16” **May 2022**

3. Data-out to the bachelor’s qualification work _____
to the bachelor thesis materials received during the consultation with the representatives of the company

4. Contents of the explanatory note (list of issues to be developed)

There are three main topics/tasks for the thesis: theoretical and methodical bases of the organizational activity as a general function of management; research of the organizational and economic mechanism of management of the company; development of measures to improve the management of the enterprise.

5. List of graphic material (with exact indication of any mandatory drawings)

Graph for illustrating the dynamic of financial indicators of the company activity and schemes for visualization the international organization management system of the company.

6. Consultants for parts of the work

Part of the project	Surname, name, position	Signature, date	
		Given	Accepted
1	<i>Syerova</i>		
2	<i>Syerova</i>		
3	<i>Syerova</i>		

7. Date of issue of the assignment

Time Schedule

№	The title of the parts of the bachelor's qualification work	Deadlines	Notes
1.	I chapter	14.02-13.03.2022	Done
2.	II chapter	14.03-10.04.2022	Done
3.	III chapter	11.04-24.04.2022	Done
4.	Introduction, conclusions, summary	25.04 – 01.05.2022	Done
5.	Pre-defense	06.06.2022	Done

Student _____
(signature)

Supervisor _____
(signature)

Conclusions: _____

The bachelor thesis of Anastasiia Tolokonnikova is relevant and devoted to the organizational activity as a general function of management. The reviewed bachelor thesis consists of content, introduction, 3 sections, conclusions, and recommendations. The content of the paragraphs is fully complied with the parts' titles and the topic of the bachelor thesis. The content and structure of the work meet the requirements and current standards for obtaining an educational bachelor's degree. Illustrative materials facilitate the perception of presented information and indicate persistence in the collection and processing (analyzing) of statistical data. The practical significance of this bachelor thesis is proved by the opportunity of using of a proposed improving set of measures on the company. Proposed recommendations will increase the efficiency of the management system of the company. The bachelor thesis is a completely independent study of current theoretical and practical aspects of management. The bachelor thesis of Anastasiia Tolokonnikova is recommended for defense with the highest score.

Supervisor _____

(signature)

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INTRODUCTION

Relevance of the topic of Bachelor's Qualification Work. To ensure effective management of enterprises, the correct understanding and application of the main functions of management plays an important role.

When performing a particular work, it is necessary to determine in advance what you need to eventually get, how to organize a case, motivate and control its implementation. These are management functions.

Management is considered as a set of functions that contribute to the achievement of the goals of the organization and increase profits.

The effectiveness of each company depends to a large extent on how professionally the function of "organization" management is performed.

Its essence lies in the formation of a certain system of relations between individual divisions of the enterprise, which allows them to effectively cooperate and achieve their goals, choosing the appropriate means for this.

A systematic approach in management considers the organization as a certain integrity, a system consisting of interrelated elements. That is, the organization as a system can be formed only if it is possible to form and unite its components, build its structure, which will ensure the stability, stability of the system, will allow it to realize the properties necessary for the desired functioning.

The purpose of the study of Bachelor's Qualification Work. The purpose of Bachelor's Qualification Work is to study organizational activity as a general function of management.

Tasks of coursework research:

1. Describe the essence of organizational activity;
2. Describe the types of organizational management structures and their characteristics;
3. Describe organizational activity as a general function of management;
4. Describe the company "Service Plus";

5. To investigate the organizational activities of the enterprise "Service Plus";
6. Provide ways to improve organizational activity as a common function of the management of the enterprise "Service Plus".

The relevance of the topic is due to the fact that in terms of economic activity of enterprises and organizations, the cost and quality of transport services are reflected in the results of their financial activities. At the same time, the sphere of transport and forwarding services has become an independent sub-branch of operation of multimodal and intermodal connections. The main economic effect of the application of advanced delivery schemes is to save on packaging costs, increase the safety of goods, speed up delivery, save on loading and unloading costs, reduce operating costs for transportation.

The object of the Bachelor's Qualification Work is the economic mechanism of management of an enterprise. The subject of the Bachelor's Qualification Work is organizational activity as a general function of management of the transport and logistics system of the enterprise.

Research methodology: methods of observation (to collect initial information for analysis), analysis of financial indicators, analysis of efficiency and profitability of exports, analysis of the company's export obligations, statistical methods, analysis of existing risk management system, risk assessment analysis, expert survey methods (for risk identification and assessment), scenario modeling, graphical method (for graphical display of the obtained data).

Structure and scope of final qualifying work. The work consists of an introduction, three chapters, conclusions and suggestions, a list of sources used with 30 titles, 9 appendices. Materials of the work contain 6 figures and 10 tables. The total volume of the work is 72 pages, the main part - 58 pages.

CHAPTER 1. THEORETICAL ASPECT OF THE ESSENCE OF ORGANIZATIONAL ACTIVITY

1.1. The state of organizational activity

The effectiveness of each company depends to a large extent on how professionally the function of "organization" management is performed.

Its essence lies in the formation of a certain system of relations between individual divisions of the enterprise, which allows them to effectively cooperate and achieve their goals, choosing the appropriate means for this[2, 33].

Organizational activity is the process by which the manager eliminates uncertainty, confusion, confusion and conflicts between people regarding work or authority and creates an environment suitable for their joint activities.

Organization is a function of management, within which the division of work between individual workers and their groups is carried out and their activities are coordinated. The implementation of the function of the organization is carried out in the process of organizational activity.

The main components of the organizational process (organizational activity) are[7, 90]:

a) division of labor – the division of general work in the organization into separate components sufficient for the performance of an individual worker in accordance with his qualifications and abilities;

b) grouping of works and activities into certain blocks (groups, departments, sectors, workshops, production, etc.) – centralization;

c) subordination of each such group to the head who receives the necessary powers (delegation of powers);

d) determination of the number of workers directly subordinate to this manager (establishing the range of control);

e) ensuring vertical and horizontal coordination of work and activities (creation of coordination mechanisms).

The organizational process is a rather complex type of activity. Its complexity lies in the need to choose a solution from many possible alternatives, each of which is not inferior to the rest in terms of rationality of making an organizational decision.

Organizational structure in management theory is defined as an abstract category characterized by three organizational parameters:[11]

1. degree of complexity;
2. degree of formalization;
3. degree of centralization.

The more vertical levels in the management hierarchy and the number of units at one level, the more difficult it is to coordinate the activities of the organization.

The degree of formalization is the degree to which an organization relies on rules and procedures, directing the behavior of its employees.

Centralization is the place of concentration of the right to make decisions.

Decentralization is the transfer of decision-making rights from higher levels of governance to lower ones[1].

1.2. Types of organizational management structures and their characteristics

According to the latest achievements of the theory and practice of management, the organizational structure of the enterprise should ensure the implementation of the strategy of its activities. Since strategies tend to change over time, there is a need for appropriate adjustments to organizational structures.

The category "structure" reflects the structure and internal form of the system. The relationship of elements in the structure is subordinated to the dialectics of the relationship between part and whole.

The presence of structure is an integral attribute of all real systems, because it is the structure that gives them integrity. The structure provides for relatively

stable connections existing between the elements of the organization, and contributes to the preservation of the stable state of the system. As for the system, the structure is an indicator of its organization[2, 24].

The organizational structure is the design of an enterprise with a formal or informal expression on the basis of which it is managed.

It covers channels of power and communication between various administrative services and employees, as well as the flow of information transmitted through these channels.

The organizational structure of management reflects the organizational side of management relations and ensures the unity of the levels and links of management in their interrelationship.

The management link is a separate body (employee), entitled to managerial functions, the rights of their implementation, determined by responsibility for the performance of functions and the use of rights.

The level of management is a set of control points at a certain stage of the hierarchy. Management levels, combining different links, characterize the level of concentration of the management process and the sequence of subordination of some links to others.

The main elements of the organizational structure of management are[9]:

- composition and structure of management functions;
- the number of employees for the implementation of each managerial function;
- professional qualification of employees of the management apparatus;
- composition of independent structural units;
- the number of levels of management and distribution of employees between them;
- the order of information relations.

So, the more advanced the organizational structure of management, the more effective the impact of management on the production process (provision of

services). To do this, the organizational structure must meet certain requirements, that is, be [10]:

- 1) adaptive (able to adapt to changes in the external environment);
- 2) flexible, dynamic (able to instantly respond to changes in demand, improvement of production technology, the emergence of innovations);
- 3) adequate (corresponding to the parameters of the managed system);
- 4) specialized (functionally locked in structural units with restriction and specification of the scope of activity of each management team);
- 5) optimal (in compliance with rational links between levels and links of management);
- 6) operational (capable of preventing inevitable changes in the managed system during decision-making);
- 7) reliable (capable of guaranteeing the accuracy of the transmission of information);
- 8) economic (with compliance of administrative expenses with the requirements of the enterprise);
- 9) simple (easy to understand the personnel and adapt to the chosen form of management and participation in achieving the goal of the organization).

The construction of organizational management structures is influenced by a system of factors that concerns both the object and the subject of management. Among the factors are regulated and unregulated, as well as those that have a direct or indirect impact.

Management theory distinguishes two classes of organizational structures of production management[6]:

1. Bureaucratic structures.
2. Adaptive structures.

Bureaucratic (mechanistic) organizational structures are characterized by a high level of division of labor, a developed hierarchy of management of the chain of commands, the presence of numerous rules and norms of personnel behavior, the selection of personnel in business and professional qualities.

The concept of bureaucracy was formulated by the German sociologist M. Weber in the early XX century. and ideally is one of the most useful ideas in the history of mankind.

Weber's theory did not cover the description of specific organizations and considered bureaucracy as some normative model, an ideal to which organizations should aspire.

Most modern organizations are variants of bureaucracy. The reason for this long and widespread use of bureaucratic structures is that their characteristics correspond to most industrial enterprises, service sector organizations, all types of government agencies (objectivity of decision-making, promotion of employees on the basis of their competence, the concept of social equality, etc.).

Adaptive (organic) organizational structures are developed and implemented in order to provide opportunities for rapid response to changes in the external environment and the introduction of new knowledge-intensive technology.

Since the 1960s, some organizations have faced a situation where the external conditions of their activities have changed so quickly, projects have become so complex, and technology has developed so rapidly that the shortcomings of bureaucratic management structures began to prevail over their positive features.

Therefore, organizations began to develop and implement new, more flexible types of organizational structures based on goals and assumptions that are radically different from the underlying bureaucratic structures. However, adaptive structures cannot be considered more effective in any situation than bureaucratic ones.

Bureaucratic and adaptive structures are extremes, and the real structures of real organizations are between them and have signs of bureaucratic and adaptive structures in different ratios.

In addition, different divisions in the same organization are usually characterized by different structures. For example, the leadership of a large

organization uses bureaucratic structures in production units, and adaptive ones in research units.

1.3. Organizational activity as a general function of management

Well-planned activities must be well organized, otherwise the organization will have problems of inefficient use of resource potential and existing capabilities.

Therefore, after the implementation of the general function of planning, it is necessary to implement an organizational function, that is, to build an organization: to carry out a vertical and horizontal division of labor, to consolidate powers, to give tasks, to indicate the responsibilities of employees in different departments and at different levels of management. There are several views on the content of the function of the organization.

First. The organization is an activity to form an effective management structure and the optimal ratio of managed and control systems. In order to organize a managed system, it is necessary to develop a mode of work, to divide and cooperate in the organization, for the most effective use of labor and material resources.

Decide on technologies, production facilities, fixed and working capital. In order to organize the activities of the management system, it is necessary to develop a structure and staff of management bodies, methods by which it will be possible to manage.

That is, the organization, as a general function of management, is considered as a purposeful influence on the teams of employees in order to form the object and subject of management[15].

Second. The function of the organization is the process of streamlining the technical, economic, social, and organizational subsystems of the control system at all levels and levels of management. That is, the organization is the ordering of management structures.

Third. The organization is the construction of structures, ensuring interaction and operational management (regulation)

Fourth. The organization is the construction of the structure of the enterprise, the establishment of interrelationships and the distribution of functions between employees, the granting of rights, and the establishment of responsibility.

The analysis of all four views provokes to give such a definition of organizational function.

An organization is a type of management activity that reflects the process of forming the management structure of an organization[4].

There are two aspects of the organizational process: the division of the organization into divisions in accordance with the goals and strategy and the relationship of powers that connect senior management with the grassroots levels.

Therefore, the essence of this function is in the division of the organization into subdivisions in accordance with the goals and strategy (materialization), the establishment of interaction between the powers of the highest and grassroots levels of management to ensure the possibilities of division and coordination of tasks (organization of management processes)."

The organization of management processes begins with the definition of powers, responsibilities, responsibilities and delegation of powers. Consider these categories: powers, responsibilities, responsibilities and delegations.

Powers are a limited right to use the material, labor and other resources of the enterprise and direct the efforts of subordinate employees to perform their tasks[8].

Powers are delegated to a certain position, not to the individual, that is, when changing jobs, the powers of the employee also change.

Responsibility is the duty of an official to perform the tasks assigned and ensure their effective solution.

An integral part of responsibility is duty.

The concept of responsibility is associated with the concept of power. Government is an opportunity to influence the behavior of others. It is owned by

every management employee within the limits of official status. Power is not delegated

Responsibility is of a dual nature. On the one hand, an official, accepting authority, simultaneously assumes full responsibility.

On the other hand, the head delegating powers retains responsibility. This dual nature of responsibility ensures high-quality implementation.

First of all, the manager is responsible, which delegates to the subordinate the authority to manage the process. But the manager himself will be responsible for the results first of all.

Even in organizations that have a wide range of delegated powers, the highest responsibility lies in the position of manager of the highest level of management. A large amount of responsibility determines high salaries[15].

Delegation of powers is the main process through which management establishes formal relations of employees in the organization. Delegation is the transfer of tasks and powers to a person who assumes responsibility for their implementation.

In general, delegation is a way to ensure that other people do the work. At the same time, this is an action that will turn the employee into a manager.

There are two points of view on the process of forming powers. The first is that the formation of powers takes place from top to bottom, through the gradual transfer of them from the highest level of management to the lowest, adhering to the hierarchy (classical concept).

The subordinate cannot refuse the powers delegated to him. According to the second (bernard's concept of acceptance of powers), the manager directs the subordinate demand, which may or may not accept.

Powers are determined by policies, procedures, rules and become broader with an increase in the level of governance. They depend on traditions, morality, culture, rituals, etc.

By the nature of delegation, linear and functional powers are distinguished. Linear – transferred directly from the highest official to subordinates and then to other subordinates[17].

They provide for legalized power. A manager within linear powers can solve problems without the consent of senior management.

Delegation of linear powers forms a hierarchy of levels of management, the process of creation of which is called scalar. The finished hierarchy creates a scalar chain.

The effectiveness of linear powers depends on: the only person of power; regulating the number of employees directly subordinate to one manager; selection of effective leadership styles.

Functional (staff) powers are delegated by the manager of the highest level of grassroots management, who performs similar functions.

For example, the head of marketing of the chain of stores delegates functional powers in the field of marketing to the head of the marketing department of the supermarket, although the latter is in linear subordination to the director of the supermarket.

Delegation of linear and functional powers requires effective motivation, influence, leadership, control. Therefore, in the subordination of the head there are four types of apparatus[11]:

1. servicer - performs specific functions (planning department, human resources department, accounting);
2. advisory - is formed from specially taken for permanent or temporary work consultants of the head;
3. personal - employees who work directly with the manager (secretary, referent, etc.);
4. information – provide managers with the necessary information services.

Shortcomings in management are often due on the one hand not to the desire of managers to delegate their powers, on the other hand – not the desire of subordinates to take responsibility.

Newman cites five reasons for the reluctance of the head to delegate powers and six reasons for the refusal of subordinates from responsibility.

Five reasons for the reluctance of the head to delegate powers: exaggeration of his own capabilities, the principle "I will do it better" works; uncertainty about their ability to lead; lack of trust in subordinates; fear of risky decisions; lack of selective control to warn management of possible dangers[4, 33].

Six reasons for disclaimers: lack of initiative, fear of solving the problem on their own; fear of criticism; lack of necessary information and resources; work overload.; self-doubt.

Delegation of powers is the main process through which management establishes formal relations between employees in the organization.

SECTION 2. ANALYTICAL ASPECT OF ORGANIZATIONAL ACTIVITY AS A GENERAL MANAGEMENT FUNCTION OF "Service Plus"

2.1. General characteristics of the enterprise "Service Plus"

Private enterprise "Service Plus" is an LLC company that specializes in the sale of tickets and freight transportation. Private enterprise "Service Plus" is engaged in sending and transporting goods to different countries from Ukraine, as well as the main activity of the company is the registration of cargo transportation, as well as tickets for cargo planes of companies or individuals and customers.

This company is associated with foreign customers and, thus, during the many years of the company's formation, a certain base of customers who work with the service plus the company on an ongoing basis was formed.

The company was opened in 2005 and since then has been working closely in the market, as well as engaged in development and innovation in this area, being in contact with foreign logistics companies of relevant tasks.

Today the company provides the following range of transport services:

1. Sea container transportation is the most popular way of delivery of cargo and goods to Ukraine. This type of transportation is ideal when the cargo must be transported over long distances. The process of work in "Service Plus" is built in such a way as to optimize the time of registration of documents, customs clearance, as well as ground delivery of the container to the customer.

2. Road transport is the best way to deliver goods from Europe to Ukraine. Road freight is in demand for both large and small consignments, which occupy only a few cubic meters in volume. Standard transportation of goods is performed by conventional transport without the use of special equipment. Standard loads do not require the use of protective ammunition and equipment when loaded into the body of a truck or railway car. The company provides road transport both within the territory of Ukraine - 50%, and to European countries - 50%.

3. International air transportation with “Service Plus” allows you to quickly deliver any type of goods over long distances. Large companies use this method of delivery when working with particularly valuable goods or products with short shelf life. Fragile or very valuable works of art, medicines, or goods that can be damaged by prolonged transportation are often used to deliver air travel services to remote destinations as needed.

4. Transportation by rail is the most reliable, inexpensive and safe type of transportation. The company transports goods by rail in Ukraine, Europe and Asia. Rail transport is used to transport some heavy, dangerous and oversized cargo. Transportation by this mode of transport guarantees almost 100% safety of cargo.

5. Customs clearance in Ukraine is the process of obtaining all the necessary permits for the import or export of goods. The company prepares a complete package of documents for customs clearance of goods, provides advice on proper coding of goods, calculates customs duties, helps to obtain all necessary certificates and permits, provides a full range of services to accompany your cargo at customs [1].

The company is engaged in the transportation of all types of cargo, including dangerous goods, heavy and bulky. “Service Plus” LLC provides services that meet international quality standards and has the following advantages:

- focus on long-term cooperation with each client;
- personalized approach to each client;
- processing customer requests in the shortest possible time;
- selection of the optimal delivery option depending on the customer's requirements with the provision of a detailed price offer;
- a personal manager is assigned to serve each client;
- providing accurate and up-to-date information on all customer's cargoes in the process of transportation;
- strict compliance with the agreed delivery times;
- flexible payment system;

- discounts for regular customers of the company depending on the volume of transported goods [1].

Consider the scope of transport and forwarding services by mode of transport (as a percentage of total) for 2021 (Fig. 1.1).

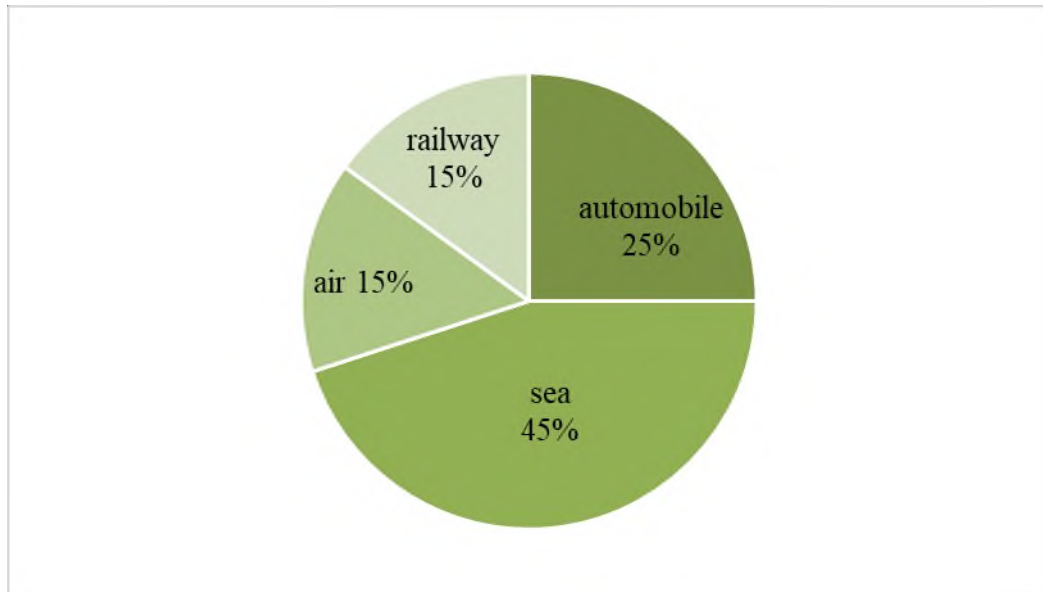


Fig. 1.1. Scope of transport and forwarding services by type of transport for 2021

Source: made by the author based on company's data

Analysis of the structure of traffic by each type of transport allows us to conclude that the largest share of cargo is transported by sea. The volume of traffic from 70 to 150 containers per month.

All shipping takes place according to the following scenario. Standard or groupage cargo is packed in sealed containers. The company's specialists prepare the necessary transport and customs documents. Then with the help of railway cars or container ships shipments are delivered to the port. There, the containers are inspected and loaded onto a vessel following a certain route. At the end of sea freight (arrival at the port of destination), everything happens in reverse order. Given the multi-stage delivery, it is very important to control the movement of goods on all sections of the road and during loading and unloading.

The organizational structure of the enterprise is linear, its advantages are the establishment of clear and simple links between units, unity and clarity of orders, consistency of actions of executors, increasing the responsibility of the head for the results of the headed unit, efficiency in decision making. The linear type of organizational structure of management is characterized by linear forms of communication between management and, as a consequence, - the concentration of the whole set of management functions and the development of management actions in one management.

It should be noted that the company takes care of its employees, introducing a good system of motivation, providing a decent salary, arranging team building and more. One of the components of motivation is the material encouragement of workers in accordance with length of service. In addition, the company monitors the work of each employee, ensuring the quality and speed of processes.

The company does not have its own vehicles, which can be considered as its weak point given the high dependence on carriers. But “Service Plus” LLC cooperates with the largest carriers of Ukraine, such as Nova Poshta, JSC UkrPoshta, DELIVERY group of companies, In-Time, Meest Company, as well as well-known world express carriers: the German international express company DHL Freight Delivery, TNT Express International, FedEx, an American multinational logistics company.

Sea lines with which the logistics company cooperates in providing freight forwarding support for maritime transport: Hapag-Lloyd, Evergreen, Maersk, Salfmari, ZIM and Yang Ming. When providing air freight forwarding support, the company's carriers are such airlines as: Ukraine International Airlines, British Airways, LOT Polish Airlines, Lufthansa, Turkish Airlines and others.

Warehouse with a total area of 320 m² (according to the lease agreement) is used for handling, handling and storage of own goods. “Service Plus” takes an active part in the social life of its clients.

Namely:

- participation in industry exhibitions and forums;

- sending news about the latest trends in logistics services;
- filling the site with useful information, news and specialized literature;
- promotion of Ukrainian producers in foreign markets.

One of the main activities of the company is[13]:

1. Collection of goods from the shipper in Ukraine;
2. Preparation of a full package of documents for export;
3. Customs clearance of cargo at the departure airport;
4. Registration of the air waybill;
5. Customs clearance at the airport of arrival and delivery of customs clearing cargo "to the door" to the recipient (if necessary).

Comprehensive logistics service in export mode: Cargo selection - preparation of a package of documents - customs clearance in export mode - booking of air transportation - registration of an air waybill - customs clearance at the airport of arrival - delivery to the final recipient.

Also, one of the actions of our discussions was to touch on the following topics of the company's services:

1. Packaging of dangerous goods in accordance with the requirements of the airline;
2. Registration of DGR and MSDS declarations;
3. The presence of warehouses in 80% of the countries of the world allows you to consolidate and store goods, in accordance with the requirements of the customer;
4. Storage and transportation of goods in temperature condition;
5. Packing of goods in insulated containers with refrigerant;
6. Storage of goods in a warehouse with temperature control.

And also one of the main goals of the company is[13]:

1. Selection of optimal air routes, taking into account the location of the sender and the recipient, the characteristics of the cargo, the delivery budget;
2. Coordination and booking of flights;

3. Agreement with the sender on the time and procedure for the transfer of goods, if necessary, we will ensure ground delivery to the airport;

4. Organization of departure for consolidation and expansion of cargo transportation, additional packaging, box, fastening on the pallet or in the cargo compartment of the aircraft;

5. Organization of preparation of transport, transport, as well as export or transit documents;

6. Notification of customers about the arrival of cargo at the customs terminal of boryspil airport.

The company faces many changes during its life cycle. Regardless of whether these changes are due to external or internal factors, it is always good to know the current state of the company's processes. A new strategy, unexpected personnel changes or additional funding are good examples of situations where a good understanding of the current state of financial management is needed.

Over the past few years, especially after the pandemic, e-commerce has become widespread worldwide, becoming part of the global sales structure. It changed the methods of logistics.

So as an import-oriented company "Service Plus" has the organizational structure as follows (figure 1.2).

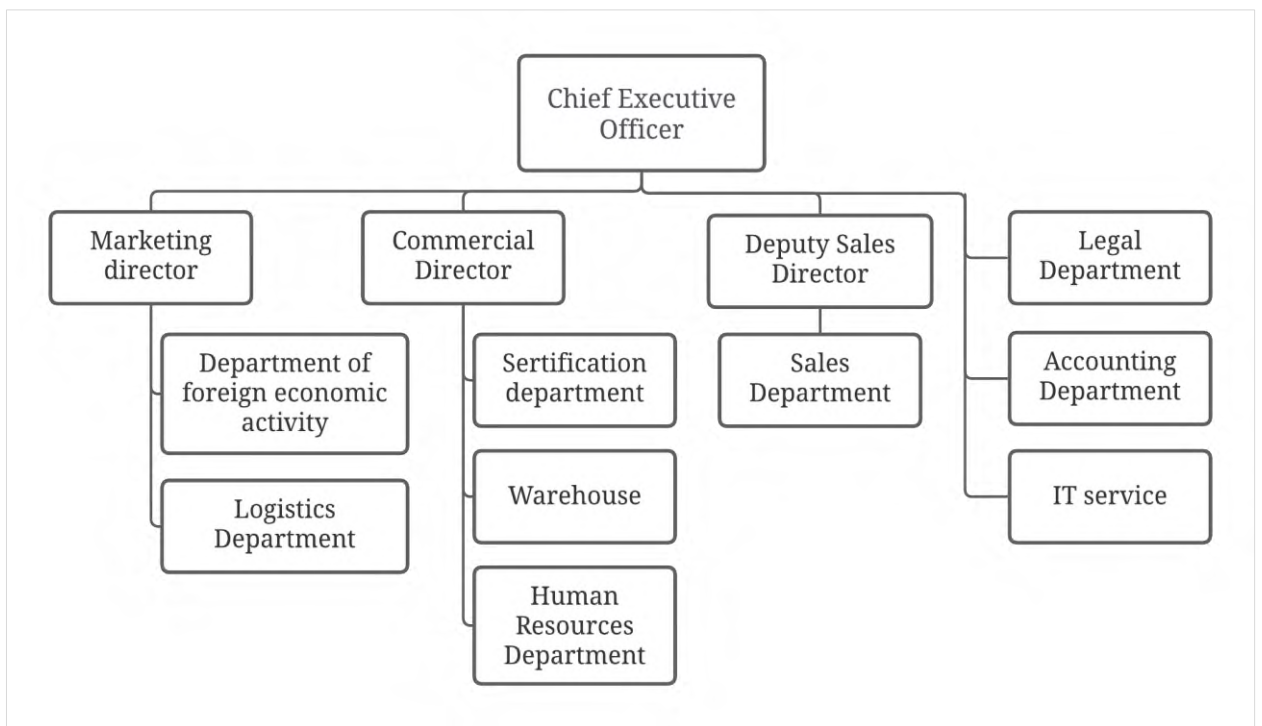


Fig. 1.2. Organizational structure of "Service Plus"

Source: made by the author based on company data.

All departments in the company are subordinated to the CEO, who determines the company's development strategy and directions for further activities, important decisions in relations with foreign suppliers require his approval. At the enterprise of "Service Plus" the department of foreign economic activity is an independent structural subdivision, as it is engaged in one of the main activities of the enterprise and is working closely with the department of logistics.

The main function of the foreign economic activity department is to ensure stable and adequate foreign economic activity of the enterprise, deepening trade relations with foreign partners.

The main tasks of the Foreign Economic Activity Department include:

- management of the export potential of the enterprise and the creation of competitive products;
- ensuring the fulfillment of obligations to foreign partners;
- development of new forms of industrial, scientific, technical and investment cooperation;
- preparation of contract goods for the customs clearance procedure [5].

The department consist of a small amount of employees, but it can successfully cope with its' functions due to interaction with other departments of the enterprise. For example, the marketing department studies markets and consumer demand, sets requirements for the quantity, frequency of deliveries and quality of products. Accountancy is responsible for the financial support of export-import operations, therefore the foreign economic activity department provides him with all service notes and invoices to pay current expenses (duties, customs payments, payments to certification bodies, etc.). The logistics department carries out documentary registration of goods, transportation of goods and draws up a schedule for their dispatch.

Today, many customers require faster delivery.

Consequently, operating models are evolving to speed up delivery. Air travel is suitable for fast delivery. The International Air Transport Association (IATA) estimates the market share of e-commerce in air cargo volumes in 2021 at about 15%.

This e-commerce trend is constantly expanding and intensifying during the COVID-19 pandemic. Since 2005, global online retail has grown by an average of about 20% per year, much faster than regular in-store sales.

The International Postal Corporation (IPC) estimates that the share now stands at 25 percent. In addition to increasing domestic supply for small and large online retailers, fast-growing cross-border e-commerce remains a key driver of overall e-commerce sales growth.

According to IATA, air travel accounts for more than 35% of world trade in value terms. Currently, people are increasingly shopping through online platforms, while cross-border e-commerce volumes are also increasing.

E-commerce is expected to drive growth in the aviation industry in the future as online commerce increases demand for package services globally.

It is expected that the growth of global e-commerce through air travel will lead to the growth of the global air transportation market in the forecast time.

High costs associated with the solution for air transportation.

Global importers and exporters choose air transportation for the fast and safe delivery of goods. Despite the fact that about 90% of shipments are delivered by sea, the delivery of air traffic controllers significantly speeds up delivery.

For example, it reduces the time of delivery of goods from the United States to China from 20-30 days by sea to 3 days by air.

However, air transportation is associated with huge costs. According to the World Bank, the cost of air transportation is about 4-5 times higher than the cost of road transportation and 12-16 times higher than the cost of sea transportation.

When it comes to air delivery, weight and volume are key factors in determining shipping costs. Air carriers usually charge a fee depending on the volume or weight, which regardless of what is more expensive.

In addition, the price of air travel also likely includes several costs, such as fuel surcharges, terminal maintenance fees, security surcharges and airport transfers.

In addition, in the case of door-to-door delivery, the price includes air transportation services, including pick-up and delivery, cargo insurance, customs brokerage services and additional fees.

In addition, fluctuations in the price of aviation fuel also affect air transportation.

2.2. Analysis of the financial and economic activity of the enterprise

Various sources of information are used for financial analysis, among which the main ones are standard forms of annual financial reporting, namely:

- balance of the enterprise (form № 1);
- report on financial results (form № 2).

We will analyze the dynamics of financial results of “Service Plus” LLC for 2019-2021 (Table 1.1).

Table 1.1

**Dynamics of financial results of “Service Plus” LLC for 2019-2021, UAH
thousand**

(thousand UAH)

Indicator	2019	2020	2021	Absolute deviation, +/-		Relative deviation, %	
				2020 to 2019	2021 to 2020	2020 to 2019	2021 to 2020
Net income from sales of products (goods, works, services)	25860	24288,8	25397,2	-1571,2	1108,4	-6,1	4,6
Other operating income	300	1536,1	294,6	1236,1	-1241,5	412,0	-80,8
Other income	0	0	0	0	0	0,0	0,0
Total income	26160	25824,9	25691,8	-335,1	-133,1	-1,3	-0,5
Cost of goods sold (goods, works, services)	23875	22843,7	23 504	-1031,3	660,3	-4,3	2,9
Other operating costs	2100	6904,7	2035,3	4804,7	-4869,4	228,8	-70,5
Other costs	0	0	0	0	0	0,0	0,0
Total costs	25975	29748,4	25539,3	3773,4	-4209,1	14,5	-14,1
Financial result before tax	185	-3923,5	152,5	-4108,5	4076	-2220,8	-103,9
Income tax	0	0	0	0	0	0	

Source: made by the author based on company's data “Service Plus” [2]

In 2019, the total net income of “Service Plus” LLC amounted to UAH 25,860,000. In 2020 there was a decline of 6.1% compared to the previous year. In 2021, the total net income of “Service Plus” LLC increased by 4.6% compared to 2020, and at the end amounted to UAH 25,397.2 thousand. The increase in the volume of goods and services provided has a positive effect on the financial position of the enterprise, increases its market share. In 2020, the company's expenses increased by 14.5% due to a significant increase in operating expenses (an increase of 228.8%). This trend indicates the great impact of the COVID-19 pandemic.

In 2021, the increase in revenue exceeds the increase in production costs. This is a positive trend that indicates an effective cost management system. Obviously, the company is using available reserves to reduce costs.

In 2019, the amount of financial result from operating activities amounted to UAH 185 thousand. The positive value of the indicator indicates the effective core business of the company, which is able to generate profits. A negative value of the indicator means low efficiency of the operational process. In 2020, the financial result of “Service Plus” LLC from operating activities amounted to UAH 3,923.5 thousand, and in 2021 it increased to UAH 152.5 thousand. This is a positive phenomenon, which shows that the company operates efficiently and can generate profits for its investors.

Comprehensive analysis of production and economic activities involves the analysis of the balance sheet. A comparison of the balance sheet assets and liabilities in 2019 shows an increase in the balance sheet currency at the end of the year by UAH 700,000. or 11.2%. In the structure of assets there was a significant increase in non-current assets - by 864 thousand UAH. or 4 times. The amount of money also increased by UAH 360,000. or almost 5 times. The analysis of the structure of liabilities of the balance sheet showed a general decrease in accounts payable, but a significant increase in other current liabilities - by 1641.7 thousand UAH. Or 3 times. At the same time, at the end of the year there was an increase in profit by UAH 569.5 thousand. or 3.7 times. These results testify to the effective work of “Service Plus” LLC.

According to the results of the analysis of indicators at the beginning and end of 2020, the balance sheet currency increased by UAH 1,267.7. or 18%. Structural changes in the asset occurred due to the growth of non-current assets by UAH 164 thousand. or 14%. The amount of current assets increased by UAH 1,134.8 thousand. or 50% due to receivables for goods, works, services (541.6 thousand UAH or 34%) and calculations with the budget (72.5 thousand UAH or 2.3 times). In the liabilities of the balance sheet, the current accounts payable increased significantly by UAH 5,485.6. or 2.4 times. Unfavorable loss in the amount of UAH 2,872.7 thousand was an unfavorable result of activity in 2020.

If we compare the results of assets and liabilities of the balance sheet at the end and beginning of 2021, we can state a decrease in the balance sheet currency

by 520.6 thousand UAH. or 6.7%. Analysis of the structure of assets and liabilities of the balance sheet showed that the asset has undergone structural changes. The main decrease was due to the reduction of non-current assets by UAH 163 thousand. or 12.5%. Current assets also decreased by UAH 191.7 thousand. or 5.8%, primarily due to a decrease in receivables and cash (for this period, cash decreased by 64 thousand UAH or 9%).

In the liabilities of the balance sheet favorable changes are an increase in profit to 394 thousand UAH. after significant losses incurred in 2020, as well as reducing the number of accounts payable by 3274 thousand UAH. On the positive side is the fact that the organization does without borrowed funds.

Given the above, in general it can be noted that the company's activities are within acceptable economic limits.

Liquidity analysis of the company's balance sheet plays an important role in characterizing its financial condition. Liquidity reflects a company's ability to settle its current liabilities with available working capital by rapidly converting it into cash. Liquidity is determined by a number of financial ratios:

1) absolute liquidity ratio, calculated as the ratio of the most liquid assets to the sum of the most urgent liabilities and short-term liabilities (the amount of accounts payable and short-term loans). The ratio shows how much of the current debt can be repaid in the near future before the balance sheet;

2) the coverage ratio or current liquidity is calculated as the ratio of all current assets (excluding prepaid expenses) to the amount of term liabilities (the amount of accounts payable and short-term loans). The ratio shows how current assets cover short-term liabilities;

3) 3) the quick liquidity ratio is calculated as the ratio of the difference between current assets and inventories of the enterprise to the amount of current liabilities. The ratio shows the company's ability to repay its short-term liabilities on time with the help of highly liquid [3].

Analysis of the solvency (financial stability) of the company characterizes the structure of sources of funding for enterprise resources, the degree of financial

stability and independence of the company from external sources of financing. The solvency ratio (autonomy) is calculated as the ratio of equity to the balance sheet of the company and shows the share of equity in the total amount of funds advanced to its activities.

The group of indicators of financial stability includes the ratio of concentration of debt capital, which is calculated by dividing current and long-term liabilities of the company by the amount of assets. This indicator shows how much of the company's assets are financed by liabilities [4].

Based on the analysis (Table 1.2.), The following conclusions can be drawn. The absolute liquidity ratio during the analyzed period is much lower than the norm, it shows that only up to 10% of term liabilities the company can repay immediately. The current liquidity ratio below the norm indicates a problem of solvency, as current assets are not enough to meet current liabilities. The positive fact is that in 2019 and 2021 the value of the indicator was close to the normative value. To increase the value of current liquidity, it is necessary to work towards increasing the amount of current assets and reducing the amount of current liabilities. The quick liquidity ratio is below the normative value only in 2020, and the value of the indicator in 2019 and 2021 shows the ability of the company to repay current (short-term) liabilities through current assets.

Table 1.2

**Analysis of liquidity and solvency indicators of “Service Plus” LLC
during 2019-2021, as of 31.12**

Indicator	Normative value of the indicator	2019	2020	2021	Absolute deviation	
					2020 to 2019	2021 to 2020
Absolute liquidity ratio	$\geq 0,2$	0,07	0,07	0,1	0	0,03
Current ratio	≥ 1	0,94	0,63	0,9	-0,31	0,27
Rapid liquidity ratio	$\geq 0,7$	0,94	0,63	0,9	-0,31	0,27
Coefficient of autonomy	$\geq 0,5$	0,11	-0,13	0,06	-0,24	0,19
Debt capital concentration ratio	0,4-0,6	0,89	1,3	1,17	0,41	-0,13

Source: made by the author based on company's data “Service Plus”

The value of the autonomy indicator is below the norm for three years, which means that the company is able to finance a small share of its assets from its own financial resources. This indicates a high level of risk and low sustainability of the company in the medium term. The value of the debt capital concentration ratio is higher than the normative value during the study period, which indicates a high level of financial risks.

With regard to foreign economic activity (FEA), in 2021 about 87% of revenues from the provision of transport services LLC “Service Plus” - is international transportation. 50% of road transport is carried out to European countries. The geographical structure of international air transportation is presented in Fig. 1.2.

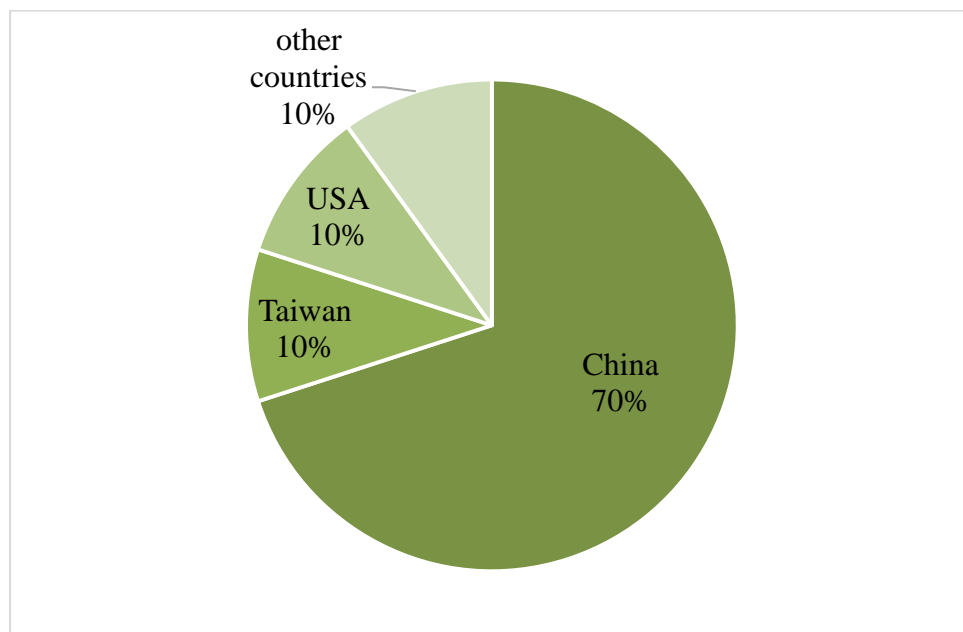


Fig. 1.2. Geographical structure of air transportation

Source: made by the author based on company's data “Service Plus”

Sea container shipments are carried out from China, the USA, Europe, Canada and a number of other countries. The most active destinations are Asian countries (90% of maritime traffic), which is presented in Fig. 1.3.

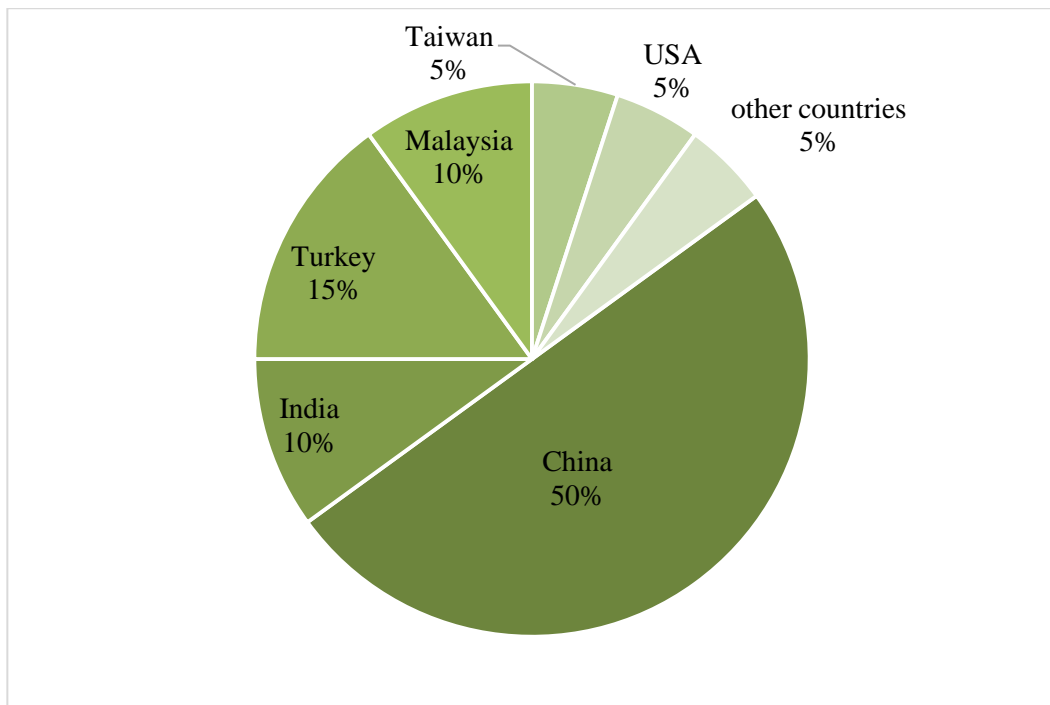


Fig. 1.3. Geographical structure of maritime transport

Source: made by the author based on company's data "Service Plus"

The company's clients are enterprises engaged in export-import operations. "Service Plus" LLC fulfills orders of Ukrainian exporters of such products as: wood products, lumber, grain and grain products, granite, labradorite, confectionery. The following goods are most often imported: household appliances and electronics, fabrics, clothing, footwear, cosmetics and household chemicals, agricultural products.

If we analyze the commodity structure of goods transported by the company, the number of tons and turnover are mostly finished products, machinery, equipment and facilities, which go mostly from Europe to Ukraine, and raw materials and construction materials, mainly exported from Ukraine, which corresponds to all-Ukrainian trends.

We will analyze the indicators of the company's foreign economic activity and the efficiency of providing international transportation services for the last three years.

Table 1.3

Indicators of foreign economic activity of “Service Plus” LLC for 2019-2021

Indicator	2019	2020	2021	Absolute deviation		Relative deviation, %	
				2020 to 2019	2021 to 2020	2020 to 2019	2021 to 2020
Company's income from the provision of international transportation services, UAH thousand	21981	19431	22095,6	-2550	2664,6	-11,6	13,7
Cost of providing international transportation services, UAH thousand	19100	18275	20448,5	-825	2173,5	-4,3	11,9
Profit from the provision of international transportation services, thousand UAH	2881	1156	1647,1	-1725	491,1	-59,9	42,5
Share of international transportation services in the company's total revenue, %	0,84	0,75	0,86	-0,09	0,11	-10,5	14,3
Economic efficiency of international transportation services	1,15	1,06	1,08	-0,09	0,02	-7,6	1,6

Source: made by the author based on company's data “Service Plus”

The obtained results allow us to conclude that in 2020 all the analyzed indicators tended to decrease, which is due to a significant reduction in freight turnover of all transport enterprises due to quarantine restrictions. The company's revenue from international transportation services decreased by 11.6% compared to the previous year; profit from the provision of these services - by 59.9%; the share of such services in the company's total revenue - by 10.5%, and economic efficiency - by 7.6%.

The following year, the indicators of foreign economic activity increased: income from services - by 13.7%, profit - by 42.5%, the share of services in total income - by 14.3%, the economic efficiency of international transport services. This indicates an improvement in the company's performance as a whole.

2.3. Organizational activity of "Service Plus" LLC

The spread of COVID-19 in 2020 dealt a severe blow to the entire system of international movement of goods. The crisis resulting from the introduction of measures and restrictions to stop the spread of the pandemic, upset the balance of freight flows and suspended the work of most enterprises. The first restrictions concerned air and land transport. As a result, carriers reduced the number of transport units and flights, and some companies were forced to suspend operations indefinitely. This trend has led to a shortage of logistics services in the market and rising prices. The situation soon worsened. First, the state of the commodity market was characterized by a deficit (lack of products from foreign producers, due to their closure to quarantine). Secondly, the carriers were out of the competence of their activities.

Due to the forced introduction of preventive measures to prevent the spread of the virus, “Border Sanitary Control” was introduced in many countries, which immediately led to increased delivery times, as well as higher prices due to downtime at the border. Simplification of testing drivers for the virus has reduced the delivery cycle, which has stabilized prices for transport and logistics services. However, with the spread of the COVID-19 pandemic, no new routes have been formed, bypassing the “red” zones (countries).

Almost simultaneously with land transport logistics providers, aviation companies began to suffer significant losses due to the complexity of international traffic, which led to a decrease in freight traffic (some airlines have switched to charter). In this regard, transportation tariffs have increased (according to experts - twice or even three times, depending on the direction).

During the pandemic, rail became one of the key types of freight. Most medical and anti-epidemic goods departed by train; the rest were transported by sea. Given that maritime logistics is less flexible and needs more time to restore functionality, port workers acted as quickly as possible, regulating the difficulties that arose.

Thus, the consequences of the COVID-19 pandemic, which affected international freight transport, were:

1. The decline in local and international freight traffic, which was caused by the isolation of countries, the closure of a large number of outlets, self-isolation, declining demand and purchasing power, rising dollar exchange rates, etc., was nothing to transport.

2. Lack of obvious and clear management decisions among the representatives of the logistics market. Due to the closure of borders and sanctions restrictions, the usual routes of movement of goods on a global scale have been destroyed.

3. The intensification of the struggle for each client provoked price dumping on the services of carriers, who tried to reduce the costs associated with vehicle downtime. This trend has forced small and some medium-sized enterprises to leave the market through the initiation of bankruptcy proceedings.

4. Association of enterprises in order to strengthen the market position and develop new strategies. There has been an integration of enterprises at different levels, providing innovative products and services aimed at improving results for both business and customers.

5. Adaptation of carriers in conditions of uncertainty (pandemic COVID19), aimed at optimizing and digitalizing logistics companies. IT platforms for tariff exchange were created in a short time, thanks to which it became possible to organize freight transportation even with the help of mobile devices.

The experience of 2020 forces business leaders to focus on generating various management decisions that help to overcome such situations and create a financial cushion. In this regard, governments have developed measures to improve the situation in the logistics sector. For example, the EU has introduced a reduced tax rate for logistics companies, as well as giving them the option of not paying rent during the crisis and terminating or suspending contracts due to force majeure [5].

In Ukraine, as in many other countries around the world, quarantine has eroded consumer sentiment, almost halting several industries - retail, hotel and restaurant business, air transportation. As a result of the quarantine, Ukrainian companies froze investments and production chains. The amount of budget revenues decreased. Due to the coronavirus pandemic and the introduction of quarantine measures, the fall in Ukrainian GDP according to the Ministry of Economic Development, Trade and Agriculture in the first half of 2020 was 6.5% compared to the same period in 2019, and in the second quarter fell 11%, less than expected earlier - the forecast was 14% [6].

Sectors where quarantine restrictions were previously lifted and which are related to consumer demand have recovered quickly, primarily in retail and services. The situation was worse with industry and investment demand. The recovery of industry was slower than retail. It is very uneven - the impact of quarantine was more painful for some industries than for others. Most sectors experienced the strongest decline in April and recovered only slightly in May 2020.

Strict quarantine in Ukraine has affected mainly passenger traffic. As for the freight segment, rail and road transport are expected to lose some of their cargo in April 2020 in the midst of quarantine, and recovery has been slow. The volume of traffic at the end of 2020 was expected to decrease significantly. Thus, international traffic was projected to decline by 30-40% due to quarantine restrictions and falling industrial production. Domestic traffic was expected to fall by 15-20% of total freight traffic. According to the results of the year, the total decline in freight traffic was forecast at about 10-15% [7].

According to the State Statistics Service, in 2020 transport companies transported 600 million tons of cargo, which is 11.2% less than in 2019. The freight turnover of that year amounted to 290.3 billion t/km, or 85.7% of the volume of 2019 (Table 2.1). As for the railway, according to the service, the results are as follows:

- freight transportation - 305 million tons (-2.4%);

- freight turnover - 175 billion tons / km (-3.4%).

Table 2.1

**Freight transportation by types of transport by enterprises of Ukraine
in 2020**

	Freight turnover		Freight transported	
	million tkm	% until 2019	million tons	% until 2019
Transport:	290342,6	85,7	600,0	88,8
railway	175587,2	96,6	305,5	97,6
automobile	42296,7	86,5	191,3	78,3
sea	2866,0	84,6	5,6	91,7
pipeline	69281,8	66,3	67,5	86,5
air	310,9	105,2	0,1	93,3

Source: [7]

In general, the railway showed the best results: a decrease in the volume of transported goods is 2.4%. While road transport showed the largest decline - up to 191.3 million tons (-21.7%), although it remained in second place in terms of traffic. The least freight was transported by water and air, with declines of 8.3% and 6.7%, respectively [8]. Let's analyze the dynamics of freight turnover of transport enterprises, which is shown in table 2.2 and in Fig. 2.1.

Table 2.2

**Dynamics of cargo turnover of transport enterprises of Ukraine during
2019-2020**

	2019	2020
January	102,8	79,3
February	102,1	84
March	102	85,1
April	103,4	81,8
May	104,2	80,1
June	103,4	80,4
July	102,7	81,1
August	101,9	82,9
September	101,9	83,4
October	102,2	84,1

November	102,4	84,9
December	102,1	85,7

Source: [8]

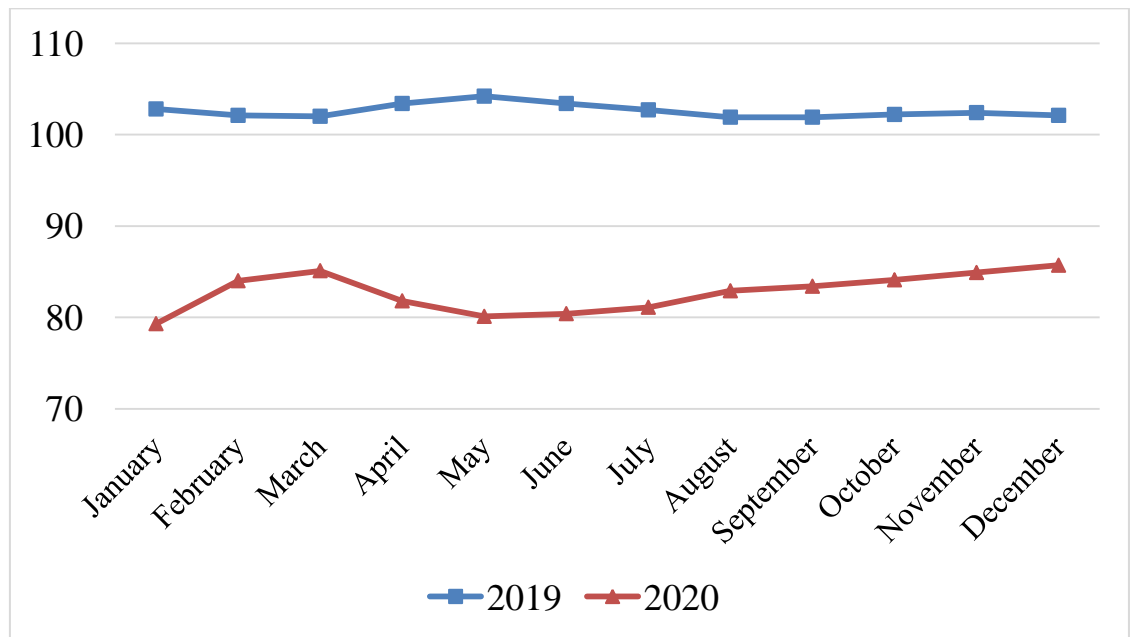


Fig. 2.1. Dynamics of cargo turnover of transport enterprises of Ukraine during 2019-2020

Source: [8]

It can be concluded that the largest decline in freight turnover occurred in January 2020 - a relative deviation of 79.3%, and the best result of transport companies showed in December - 85.7%.

Almost 40% of all products exported by Ukraine are transported to EU countries. Most often, goods of plant origin (cereals, fruits, vegetables, seeds), ores, forestry and fishery products, food, construction materials, rolled metal, chemical products are transported. In 2020, Ukraine exported more than \$ 18 billion worth of goods to these countries. Traditionally, the most important way of transporting goods in this direction is transportation by rail. In 2020, 29 million tons of cargo were transported by this mode of transport. According to the Border Guard Service of Ukraine, there are 14 railway checkpoints on the border with EU countries [9].

At the same time, it is worth noting the factors that hinder the development of the industry and the growth of exports to the EU by this mode of transport: weak progress in harmonization and approximation to key EU legislation, critical deterioration of railway infrastructure and rolling stock, unresolved private transport track width systems [10].

In second place in terms of freight traffic was road transport. It transports about a third of cargo in Ukraine, international traffic accounts for 5% of all road transport [8].

The following factors that hinder the development of the industry and the growth of exports to the EU by road should be identified:

- lack of permits for international road haulage in the main transit countries of the EU (increased downtime of trucks, significant loss of income of Ukrainian carriers, outflow of drivers, etc.);
- weak progress towards approximation to key EU legislation;
- unsatisfactory condition of border infrastructure and road checkpoints;
- significant waiting time in queues when crossing the border with the EU;
- Insufficient level of cooperation in the implementation of the mechanism of joint border and customs control and the development of joint road checkpoints with neighboring EU countries;
- long time of customs clearance (customs clearance / customs clearance) due to delays in the work of border and customs services, complex mechanisms for customs and weighing procedures, etc.;
- Insufficient number of allowed days for Ukrainian drivers to stay in the EU under the visa-free regime [11].

Export-import operations account for 29% of all freight transport by river and more than 50% - by sea [9]. Factors hindering the development of the international maritime transport sector and the growth of exports to the EU include:

- crisis situation of the maritime freight sector due to the unsatisfactory condition of the Ukrainian fleet, which consists mainly of small gross seagoing vessels, most of which are over 30 years old;
- underfunding of the infrastructure of Ukrainian seaports, lagging behind the level of technological and technical equipment of ports, high port fees, insufficient level of service quality;
- low efficiency of public services, including customs and border service, significant time of registration of the vessel for sea access and cargo handling, insufficient level of functioning of electronic systems of registration of cargo and vessels and technologies of interaction with regulatory authorities;
- Inefficient regulatory environment and weak judicial protection in Ukraine, which leads to a reduction in the number of vessels providing services under the Ukrainian flag [9].

Using the Trade Map database [11], the cost of exports and imports of freight services by Ukrainian transport companies during 2018-2020 was analyzed. In 2019, there was an increase in export and import services provided by all modes of transport. Whereas in 2020, due to the COVID19 pandemic, the total cost of transport services for all modes of transport decreased. The only exceptions were air freight, the cost of which has not changed.

According to the results of 2021, freight turnover in all modes of transport in Ukraine has not changed, showing a slight decrease of 0.3%. The freight turnover of road transport in 2021 showed an increase of 10.5% compared to the previous year. The volume of transported goods by all modes of transport in 2021 amounted to 619.9 million tons, which is 3.3% more than last year.

The volume of goods transported by road increased by 16.2%. A total of 222.6 million tons of cargo was transported by this mode of transport, which is 16.2% more than in the previous year. Railway freight turnover increased by 2.7%. Last year, 314.3 million tons were transported by this mode of transport, which is 2.9% more than in 2020. Freight turnover of water transport also increased by 2.4% last year. 5.3 million tons of cargo were transported by this mode of

transport, which is 4.8% less than in 2020. Freight turnover of air transport increased by 9.5%. 0.1 million tons were transported by this mode of transport, which is 7.3% less than in 2020 [12].

Service-Plus specialists are engaged in the preparation of all necessary permits. They work within the framework of the current legislation; insurance; insurance of cargo according to a standard or special policy, which is especially important when transporting oversized cargoes.

Since the company is under development, this has particularly affected the emergence of the coronavirus pandemic, but the company also pays great attention to the country's ecology and in the future a development plan is being developed in this area and on the way to a more environmentally friendly mode of transport, as far as possible. Comparison of emissions between three modes of transport.

Specialists of "Service Plus" do not offer excesses, trying to earn as much as possible for one order. Most regular customers have long signed general contracts.

When an insurance company is reliable, this decision seems most correct. Especially if all your cargo transportation is carried out by one company.

The probability of force majeure is very low, but it exists. It is impossible to argue with this fact. When ordering cargo and vehicle insurance from a company, you do not spend extra money, but adhere to the first rule of doing business: protect your own investments.

One of the most popular services today is the transportation of general cargoes to Russia and the CIS countries.

Kompania carries out cargo transportation on its own transport and guarantees an individual approach to each client.

1. the company independently prepares accompanying documents; choose the optimal vehicle based on the volume of shipment;
2. send the goods from the sender to the recipient without the involvement of additional transport.

For cargo transportation in the CIS, the price from Service-Plus is more than available. It depends on the specifics of the cargo and the distance from point A to

point B. Our company also provides additional services in the form of preparation of the necessary documentation.

However, even with this in mind, the cost of transportation remains competitive. The cost of delivery of goods to the CIS countries is calculated individually by our managers.

This service is in demand, both among enterprises and among individuals.

In the process of international economic relations, transport provides the movement of goods, passengers and luggage, which is the subject of international transport operations. The process of delivery of goods in international trade includes:

- 1) transportation of goods within the exporting country to the border point or port of the country;
- 2) transportation of goods from the border point (port) of the importing country to the point of its consumption within the country;
- 3) transit (through third countries) or maritime transport, if the exporting country and the importing country do not have a common border [13].

Transport operations are considered international if they are related to transit or transportation by sea.

International messages can be direct (without transshipment), mixed (using two or more modes of transport), direct mixed (using different modes of transport, but on the same transport documents).

International transport services include not only direct activities that include transportation, but also a number of related operations (delivery of goods to the nearest cargo terminal-port, railway junction, etc.; loading, reloading, unloading of transported goods or luggage; temporary storage at intermediate points, re-registration documents, and sometimes insurance) [14].

The company-owner of the cargo and the companies-carriers, which conclude a contract of carriage, take part in the international transport process. In addition to cargo owners, stevedoring companies (freight terminal operators) with

which a service agreement is concluded and freight forwarding companies take part in transport operations.

The modern transport network and the structure of transport have developed in the process of world economic development and the international division of labor, they, in turn, have a very strong influence on these processes. Road, sea, rail and air are the four ways to import and export cargo.

Air transport provides numerous benefits for international trade depending on customer requirements. The advantages of using air transport include:

- 1) the highest speed of transportation of goods over long distances;
- 2) provides a high level of safety for sensitive objects;
- 3) used for a wide range of goods.

However, there are the following risks:

- 1) high cost of transportation;
- 2) flights may be delayed or canceled due to high dependence on weather conditions;
- 3) restrictions on the dimensions of the cargo;
- 4) additional transport may be required for transportation from the airport to the final destination.

Carrying out cargo transportation by air is regulated by the Air Code of Ukraine. Cargo transportation is carried out on the basis of concluding contracts. Under the contract, the carrier undertakes to deliver the goods to the destination and deliver them to the consignee, and the consignee undertakes to pay for air transportation. In the case of charter air transportation, an agreement on aircraft charter is concluded, according to which the charterer provides the charterer with one or more aircraft, or part of the aircraft for cargo transportation, for payment.

If the company needs to transport large volumes, but there is no need for fast delivery, the goods can be transported by sea. Most of the world's cargo is transported by sea. Bulk cargo, such as petroleum products, liquefied gas and chemical products, is most often transported. Containers are most often transported by ships. Container vessels have pushed universal vessels out of the market

because any load from needles to cars can be placed in a standard 20- or 40-foot container. At the same time, the processing time of such vessels has been reduced tenfold, thanks to the unification of the transport system around the world for container transportation.

The benefits of maritime transport include:

- 1) the ability to transport bulky goods at low cost;
- 2) use of natural means of communication;
- 3) unlimited capacity of sea routes;
- 4) freight containers can also be used for further transportation by road or rail.

However, there are also risks to maritime transport:

- 1) delivery by sea may be slower than by other means of transportation;
- 2) routes and schedules are usually inflexible;
- 3) tracking the progress of transportation of goods is difficult to track;
- 4) large investments in port facilities;
- 5) additional transport may be required for transportation from the port to the destination.

Carrying out cargo transportation by water transport is regulated by the Maritime Navigation Code, the Charter of Inland Water Transport, as well as special rules of transportation.

International road transport is one of the most efficient and cost-effective modes of transport of goods and passengers in close connections and in comparison, with other modes of transport.

The advantages of road transport:

- 1) high mobility and maneuverability;
- 2) high speed;
- 3) universality;
- 4) the ability to plan the transportation and tracking of the location of goods;
- 5) safe and private delivery.

The risks of transporting goods by road include:

- 1) long distances on land can take longer;
- 2) there may be delays and breakdowns during the route;
- 3) there is a risk of damage to goods, especially over long distances;
- 4) relatively low occupancy;
- 5) high level of transportation costs.

Rail transport is a cost-effective and cost-effective way to move goods. It has the following advantages:

- 1) a wide railway network throughout Europe;
- 2) low cost of transportation;
- 3) independence from weather conditions;
- 4) relatively high speed of transportation;
- 5) environmentally friendly method compared to other transport systems.

The risks of rail transport include:

- 1) limited transportation directly to the enterprise;
- 2) the complexity of delivery to remote regions;
- 3) significant investments in infrastructure;
- 4) for transportation from the railway point to the final can need additional transport.

The organization of cargo transportation by rail is regulated by the Law of Ukraine "On Railway Transport". It determines the economic, organizational and legal principles of railway transport. The provisions of this law also determine the role and place of the railway in the economic and social sphere of the country.

As you can see, each of the modes of transport has its own advantages and disadvantages. When choosing a mode of transport should pay attention to the time of delivery, load capacity, calculate the risks caused by weather conditions and should take into account the regularity of deliveries.

However, the more vehicles the company owns or can attract, the more flexible its logistics system, and the more likely to meet consumer needs, delivery on time, delivery on door-to-door technology, etc. In this way, it expands the range of actions of carriers, in addition, there is now a growing demand for carriers that

provide multimodal transport, i.e., those where the transportation of goods is under one contract, but performed by at least two modes of transport.

CHAPTER 3. OPPORTUNITIES FOR INCREASING ORGANIZATIONAL ACTIVITY OF "Service Plus" LLC

3.1. RECOMMENDATIONS OF IMPROVEMENT OF THE ENTERPRISE'S ACTIVITY

In the process of improving the organizational structure of management, a timely response to qualitative changes in the production process becomes important. This requires systematic analysis and adoption based on its results of relevant decisions[19].

All organizational decisions are designed to provide flexibility to forms of management and, of course, production.

Most often, the organizational structure is defined as an orderly set of interrelated elements of the system, which determines the division of labor and service relations between structural units and employees of the management apparatus for the preparation, adoption and implementation of management decisions[19].

It organizationally assigns functions to structural units and employees, regulates the flow of information, finds its mark in the scheme and parameters of the management structure, staffing, a certain ratio of structural units and employees of the management apparatus, regulations on departments and services, in the system of subordination and functional connections between individual elements of the management system[17].

Improvement of the organizational structure of the enterprise means, first of all, the need to establish the optimal number and structure of the management apparatus, as well as the number of employees of production departments and units in accordance with the current norms, standards and needs of the enterprise, taking into account modern market conditions of management.

Directions of improvement of the enterprise management structure are[18]:
– change of the organizational structure of enterprise management;

- optimization of the management process, by improving the system of planning, accounting and control over the main indicators of the enterprise;
- improvement of management of production resources and stocks;
- improving the efficiency of management of innovative processes in the enterprise, improving the quality of products.

The stability of the management structure makes the organization stable and at the same time allows you to successfully respond to changes in the internal and external environment.

Improving the internal control system, comprehensive implementation of modern software tools[16]:

1. management technologies;
2. information technology;
3. development of computer networks.

Management of production resources requires the use of energy-saving technologies and regulation on the use of production stocks in accordance with progressive standards.

To ensure the effectiveness of the innovation process, systemic structural and process interactions are important, which ensure the continuity of processes over time.

Innovations at the enterprise provide improving the quality of products, reducing costs and improving production.

3.2 Ways to improve organization activities as a common function of the management of "Service Plus" LLC

To improve the organizational structure of enterprise management, it is necessary first of all to establish the optimal number and structure of the management apparatus, the direct number of employees of production units according to established standards and real needs of the enterprise, taking into account modern market conditions[17].

To improve the system of planning, accounting and control over the main indicators of the enterprise, it is possible to introduce an effective system of internal control, a variety of computer equipment, develop computer communication networks, use modern software tools, namely: information management technologies[18].

First of all, this applies to both financial management systems, budgeting, and financial resource management.

In addition to the project for the implementation of a risk management system at "Service Plus", the improvement of the risk management system should also be accompanied by the creation of organizational processes. Thus, it will be possible to improve risk management in this consulting company by making changes to the organizational structure of "Service Plus" and by training employees to identify threats, track out undesirable events, as well as by facilitating managerial decisions. All these steps positively effect collaboration within the company and facilitate visibility into risk with the further increase of the efficiency of risk management system and chosen strategies.

Measures, aimed at improving risk management system, affect various risk factors not only to minimize the possible occurrence of events leading to risk, but also to reduce its consequences with regard to all levels of the company: periodicals production, organizational and economic levels, as well as regulatory and social processes.

The proposed risk management system will provide the following benefits to "Service Plus":

- 1) it will help save time and financial resources;
- 2) it will open opportunities for further development;
- 3) it will improve business relationships with stakeholders;
- 4) it will decrease the uncertainty factor;
- 5) it will advance business planning and performance efficiency;
- 6) it will support grounded managerial decisions with quality information;
- 7) it will improve communication and build trust between employees, management and business owners;
- 8) it will contribute to further growth of "Service Plus" business reputation.

To manage financial risks, particularly exposures to insolvency, we recommend to maintain analysis of "Service Plus" liquidity, solvency and profitability indicators on a regular basis in order to timely identify and track all these risks, as well as to provide a set of actions (aimed at improving cash flows and business expenses reduction) to minimize the probability and impact of these exposures.

To reduce total accounts receivable increase, we recommend:

- 1) setting up the effective work of the financial and marketing service with clients;
- 2) outlining a clear payment policy;
- 3) forming a good financial turnover;
- 4) attracting more clients with a focus on reliable counterparties who enjoy a good business reputation.

To find and attract new clients (in Ukraine and abroad) we recommend to start Search Engine Optimization (SEO) to increase the probability of clients' ability to find "Service Plus" official website and get to know the company's products and services profile information. This step should comprise two basic components: on-site SEO and off-site SEO.

To prevent consultant scope creep at "Service Plus", we recommend to take the following steps:

- 1) to include possible scope creep scenarios in "Service Plus" estimates to set expectations around the cost and work involved;
- 2) to register the details regarding all project deliverables and expectations in the client contract or statement of work;
- 3) to continuously update "Service Plus" clients on progress and obstacles;
- 4) in cases of taking on something outside defined project scope for free, we recommend sending the client an invoice detailing the additional work with the charge zeroed out.

Cyber security management includes integration of improvements into "Service Plus" computer infrastructure and operations, as well as reduction of anthropogenic cyber risk factor. Cyber risks minimization strategy can be achieved through: deployment of Intrusion-Detection and Intrusion-Prevention Systems,

quality antivirus and VPN deployment, usage of two-factor authentication for computer remote-access, implementation of full incident response programme, frequent auditing of the necessary devices (firewalls, VPN devices, routers, etc.). Priority measures are: defining cybersecurity policies and conducting cybersecurity trainings and consultations for staff on a regular basis. Another important direction of the company's risk management strategy involves using integrated risk management software that may accelerate and facilitate the whole working process.

By introducing such cyber security measures at "Service Plus", the probability of an unauthorized access to the corporate system will be minimized – with 88% efficiency, as well as probable financial damage will vary from UAH 12500 to UAH 39000.

One of the ways to improve the customer service system is the introduction of CRM-systems aimed at building relationships with customers through the understanding of their individual needs. CRM-system allows not just to automate customer interaction and sales process, but to organize the work in such a way as to obtain maximum results.

The main purpose of the CRM-system is to form a single information environment, within which the main business processes of the company will be performed and their unity will be ensured. The use of such a system can significantly speed up the flow of information and make it reliable, which in turn increases the efficiency of responses to requests, the speed of turnover and reduces costs.

Today, the software market offers a variety of modern CRM systems for transport organizations, the most common of which are Ortec, 4Logist, Bitrix 24, Terrasoft, XRM® Delivery and others.

The key factors in choosing a system include: maximum compliance with the solution of all tasks; professional industry solution for transport and logistics companies; simple and easy to use interface; high speed of implementation; project budget acceptable to the enterprise. Given these factors, the author proposed the introduction of CRM-system XRM® Delivery, which provides the ability to

autonomously perform logistics, warehousing and financial operations with the subsequent transfer of data to the system.

The system includes a full set of functions for performing warehousing operations with the ability to work offline; templates for constructing traffic routes, calculating the traffic schedule and tracking cargo; automatic calculation of the cost of transportation, setting discounts, managing customer loyalty. Its use allows you to systematize the process of receiving and processing cargo, track its movement, identify problems with cargo [15].

The main stages of implementation of the information system include:

- express survey of the company and existing business processes,
- system project development,
- software installation,
- user training,
- approbation and final debugging of the system,
- commissioning.

Visually, this project is presented using a Gantt chart, which allows you to track the sequence and duration of operations in the project (Fig. 3.1).

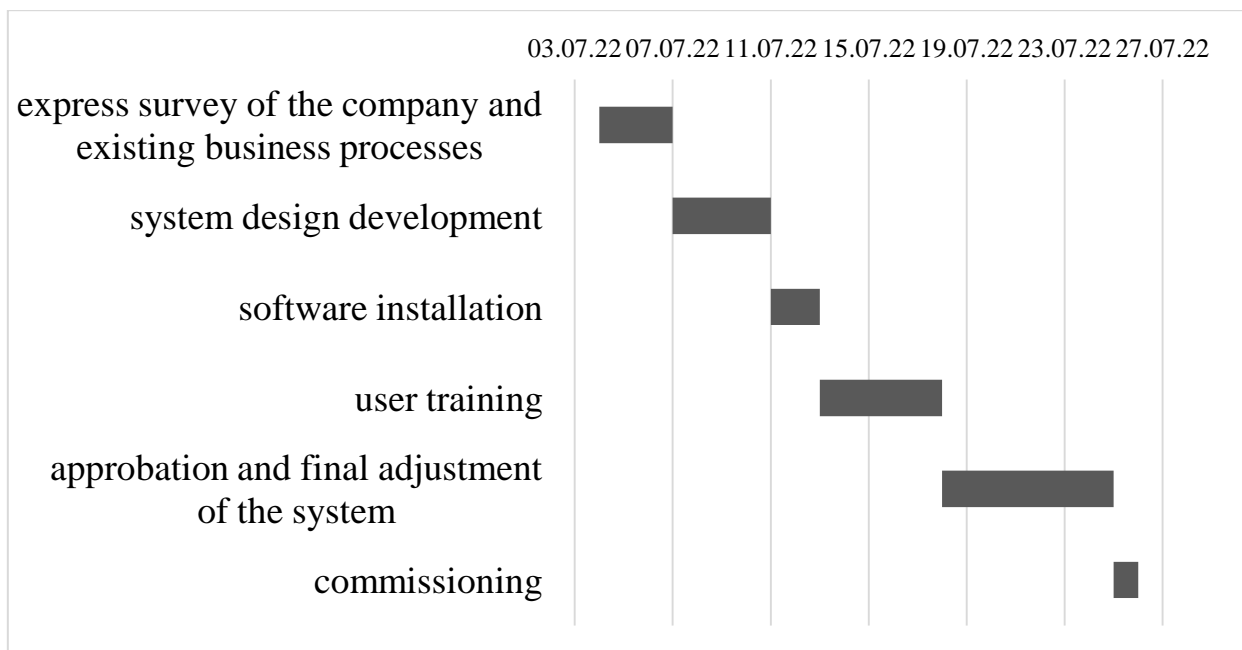


Fig. 3.1. Gantt chart for the implementation of CRM-system at LLC “Service Plus”

Source: made by the author based on company's data

It is extremely difficult to assess the economic effects of implementing a CRM system in monetary terms. The most common method of assessing the economic effect is to calculate the difference between the revenues received from the implementation of the system and the costs of ensuring its operation. One of the options for assessing the implementation of CRM-system is the calculation of ROI (financial ratio, which illustrates the level of profitability or loss of business), which indicates the ratio of average profit to investment, and increase profits from the introduction of CRM-technologies. This ratio allows you to estimate the return on investment in the acquisition and implementation of CRM-system.

The ROI calculation formula is as follows:

$$\text{ROI} = \frac{P_{\text{CRM}} - P}{Z * 100\%} \quad (3.1)$$

where P_{CRM} - the profit received by the enterprise during the implementation of CRM;

P - profit received without the introduction of CRM;

Z - project implementation costs.

It is advisable to calculate the costs using the TCO (total cost of ownership), which determines the total cost of ownership of the system, which includes all costs for the implementation and maintenance of CRM-system before the system replacement period. According to statistics, the full package costs at least \$ 500 (UAH 14,500) per month and additionally costs for installation, setup and maintenance. The total cost depends on the options and modules included in the package, which the company needs to achieve current business goals.

When determining the income from the implementation of CRM-system must take into account the implementation of software designed to automate the tasks of customer relationship management, according to various sources, allows:

- reduce administrative costs by 10-20%;
- increase sales by 10-30% per year per manager;

- increase the number of concluded agreements by 5-15%.

The payback period of CRM-systems averages about one year [16].

3.3 Forecast assessment of the effectiveness of “Service Plus”, as a result of the implementation of the proposed measures

"One of the main directions of improving the management system is a specific approach with a complete stage of management in determining the organizational structure, specific rights and obligations of employees, the degree of responsibility, respectively, of their official functions of the head and specialists of different levels."

The target organizational structure of the management apparatus will allow timely, competently, comprehensively, compactly carry out enterprise management processes.

Ways to improve the management system of the enterprise should focus on[18]:

- a comprehensive procedure for improving the enterprise management system and all its components in order to ensure the effectiveness of organizational, personnel and technical decisions, decision-making processes and improvement of information flows;
- implementation of management due to automation of the production process of the enterprise;
- improvement of organizational structures of enterprise management by using modern forms (program-target adaptive, and others);
- improvement of the management information system in order to improve the quality of information information, as well as the possibilities of its rapid use;
- application of computer equipment and automation tools to improve the quality of production, technical and economic level;
- cooperation within the country with foreign partners for the best level of quality of development of the modern management system at the enterprise;

- use of world experience.

Thus, analyzing the influence of external and internal factors influencing the choice of organizational structure and the main stages of its construction, so that the work on improving the management structure will be more efficient and high-quality, the use of these areas of improvement of the management structure will contribute to improving the efficiency of the enterprise, the quality of management decisions, improving strategic and operational planning of activities that will provide flexibility and adaptability. dynamic market conditions of management[19].

Since cargo delivery schemes are the main tools used in the transport process, they mainly affect the cost of transportation, profits and, consequently, competitiveness. Transportation by air has a high cost, so one way to reduce the cost of transportation is to consolidate cargo in the country of departure and departure as one cargo. The economic benefit is that air fares are determined by the total weight of the cargo, which reduces the cost of transportation for each cargo.

Consolidation of goods is a stage of their accumulation and sorting in the warehouse of the carrier and directly the formation of batches of disparate goods, which will be sent on one vehicle in one direction. The greater the paid weight of the cargo, the lower the cost of transportation per 1 kg.

We calculate the cost of delivery of four cargoes from China separately from each other, as well as the cost of sending consolidated cargo.

We have the following initial data for calculating the cost of transportation.

Route 1. Terms of delivery Incoterms: FCA Guangzhou - Kyiv. Nature of cargo: medical equipment, general cargo. Cargo parameters: 1 pallet 1.1 m * 1.1 m * 1.7 m, gross weight 480 kg.

Route 2. Terms of delivery Incoterms: FCA Guangzhou - Kyiv. Nature of cargo: cosmetics, general cargo. Cargo parameters: 2 boxes, parameters of one box 36 cm * 26 cm * 60 cm, cargo weight 60 kg.

Route 3. Terms of delivery Incoterms: FCA Guangzhou - Kyiv. Nature of cargo: spare parts for household appliances, general cargo. Cargo parameters: 3 pallets, parameters of one pallet: 1,2m * 0,8m * 1,2m, cargo weight 350 kg.

Route 4. Terms of delivery Incoterms: EXW Gaunzhou - Kyiv. Nature of cargo: veterinary equipment, general cargo. Cargo parameters: 1 pallet, pallet parameters 1.2 m * 0.8 m * 1.4 m, cargo weight 250 kg.

Since for any delivery option (both separately and for consolidation) the cost of B1 (local costs in China) will be the same for the same cargo, we can ignore these costs. To compare the economic efficiency of the chosen route scheme, we will start the calculations from the second stage - freight.

The cost of transportation by sites includes a certain number of separately paid operations, such as direct transportation, loading and unloading, supply and cleaning of vehicles, etc. The cost of all operations should be taken into account.

The calculation of transport costs for the delivery of goods in general can be done by the formula:

$$B_{\text{3ar}} = B_1 + B_2 + \dots + B_i = \sum_i^n B_n \quad (3.2)$$

where B_n - costs incurred at all stages of transportation, \$

In this case, all costs can be divided into several main stages (Table 3.1). Based on these data, you can calculate the cost of transportation depending on the chosen scheme of delivery.

Table. 3.1

Distribution of costs of “Service Plus” LLC” by stages of transportation in general

№	The name of the stage	Costs that are included in the stage
1.	Local costs in the country of departure	<ul style="list-style-type: none"> - marking, preparation of necessary documents for transportation cargo delivery to the airport - export registration of cargo - terminal fees at the airport of departure - cargo handling at the airport of departure (handling) - storage of cargo on STZ - remuneration of the local agent (agency)
2.	Aviation freight	<ul style="list-style-type: none"> - the cost of air freight to the destination airport

3.1.	Local costs of the country of arrival (arrival airport is in the destination country)	<ul style="list-style-type: none"> - terminal fees at the airport - service at the airport of arrival (handling) - storage at the airport of arrival - auto delivery to the end point
3.2.	Local costs of the country of arrival (the airport of arrival is NOT in the country of destination)	<ul style="list-style-type: none"> - terminal fees at the airport of arrival - cargo handling at the airport (handling) - storage - opening of the transit declaration (T1) - remuneration of the local agent - auto delivery to the end point

Source: made by the author based on company's data

Using the data given in table. 3.1, and formula (3.2) will make a formula for local costs in China:

$$B_1 = B_{\text{doc}} + B_{\text{del}} + B_c + B_{\text{term}} + B_{\text{handl}} + B_{\text{st}} + B_{\text{ag}}, \quad (3.4)$$

where B_{doc} - the cost of marking, preparation of the necessary documents for transportation, \$;

B_{del} - the cost of delivery to the airport of departure, \$;

B_c - the cost of customs clearance of goods, \$;

B_{term} - the cost of terminal dues at the airport of departure, \$;

B_{handl} - cargo handling costs at the airport of departure (handling), \$;

B_{st} - cargo storage costs, \$;

B_{ag} - the cost of remuneration of the local agent (agency), \$.

Formula for finding the cost of the second stage of transportation:

$$B_2 = B_{\text{fr}}, \quad (3.5)$$

where B_{fr} - the cost of air freight to the airport of arrival, \$.

Freight costs, B_{fr} are according to the formula:

$$B_{\text{fr}} = P_{\text{pay}} * W, \quad (3.6)$$

where P_{pay} - paid weight, kg;

W - tariff for aviation freight, \$.

Volumetric weight is a conditional value that is intended to help the carrier estimate the cost of shipping. Volumetric weight shows how much space will take up space during transportation. This value helps to compare materials with different densities.

According to the rules approved by the International Air Transport Association (IATA), the paid weight is the maximum of two indicators:

$$P_{\text{pay}} = \max (P_{\text{ph}} \text{ або } P_{\text{v}}), \quad (3.7)$$

where P_{ph} - physical weight, kg;

P_{v} - volume weight, kg.

Volumetric weight P_{v} is by the formula:

$$P_{\text{v}} = V * k, \quad (3.8)$$

where V is the volume of cargo, m³;

$$k = 167 \frac{\text{kg}}{\text{m}^3}.$$

Local costs in Ukraine according to the direct scheme are according to the formula:

$$B_{3\text{II}} = B_{\text{term}} + B_{\text{handl}} + B_{\text{st}} + B_{\text{del}}, \quad (3.9)$$

where B_{term} - the cost of terminal dues at the airport of arrival, \$;

B_{handl} - cargo handling costs at the airport of arrival (handling), \$;

B_{st} - the cost of storing cargo in a warehouse at the airport of arrival, \$;

B_{del} - the cost of delivery to the final destination, \$.

We calculate the cost of transportation of each cargo separately, as well as the cost of transportation in the consolidation of these goods.

To calculate the cost of freight, in addition to the known paid weight, we need tariffs. To compare all options, we need to find the cost of each of the

proposed options, and then compare them in order to obtain the most favorable tariff.

The cost of aviation freight is listed in table. 3.2.

Table 3.2

The cost of air freight Guangzhou - Borispol, \$

Departure airport - the destination airport	Airline	Paid weight, kg						Transit time, days
		0	+45	+100	+300	+500	+1000	
Guangzhou International Airport (CAN) - Boryspil International Airport (KBP)	MAY	3,72	3,61	3,51	3,32	3,21	3,13	3-4
	Aero Caribbean	3,54	3,43	3,33	3,23	2,95	2,65	5-7
	Turkish Airlines	3,45	3,24	2,91	2,78	2,65	2,59	3-5
	Japan Air Commuter	3,62	3,55	3,44	3,12	2,97	2,72	5-7
	LOT Polish Airlines	3,54	3,55	3,12	2,82	2,7	2,44	3-5

Source: made by the author based on company's data

In the table. 3.3 the cost of local costs in Ukraine.

Table 3.3

The cost of local costs of LLC “Service Plus” in Ukraine

The name of the cost	Cost without VAT
Terminal fees at Boryspil airport, B_{term}	0.4 UAH / kg or 45 UAH / batch
Expenses for forwarding services at Boryspil airport, B_{handl}	600 UAH
Storage costs at Boryspil airport, B_{st}	3 days are free, then 0.35 UAH / kg per day
The cost of road delivery of Boryspil airport to Kyiv, B_{del}	1200 UAH

Source: made by the author based on company's data

The calculation of the cost of air transportation on individual routes is carried out taking into account the most favorable tariff for the transportation of the relevant paid weight of cargo. For each route it is the tariff of Turkish Airlines with a transit time of 3-5 days (Table 3.2). Local costs in China for each route are \$ 70. To calculate local costs in Ukraine, we will assume that the cargo will be picked up from Boryspil airport in less than 3 days, so we will not take into

account the cost of storage. The total cost of transportation of goods was calculated according to formula 3.2.

Table 3.4

**The cost of air transportation for individual routes LLC “Service Plus”,
2022**

	Route 1	Route 2	Route 3	Route 4
Gross weight, kg	480	60	350	250
Volume weight, kg	$2,057*167=344$	$0,112*167=20$	$3,456*167=577$	$1,344*167=224$
Weight paid, kg	480	60	577	250
Local costs in China, \$	70	70	70	70
Freight costs, \$	$480*2,48=1335$	$60*3,24=195$	$577*2,65=1529$	$250*2,91=728$
Local costs in Ukraine, UAH	$0,4*480+600+1200=1992$	$0,4*60+600+1200=1824$	$0,4*577+600+1200=2031$	$0,4*250+600+1200=1900$
Total cost, \$	$1335+1992/29=1403$	$195+1824/29=258$	$1529+2031/29=1599$	$728+1900/29=794$

Source: made by the author based on company's data

We calculate the cost of transportation of all cargo in the consolidation in the agent's warehouse and shipment as one shipment:

Total paid weight:

$$\text{Pay1} + \text{Pay2} + \text{Pay3} + \text{Pay4} = 480 + 60 + 577 + 250 = 1367 \text{ kg}$$

Using the table. 3.2 we will choose the most favorable tariff for transportation; this is the tariff of LOT Polish Airlines with a transit time of 3-5 days. Freight costs are $2.44 * 1367 = \$ 3335$.

To calculate local costs in Ukraine, we will assume that the cargo will be picked up from Boryspil airport in less than 3 days, so we will not take into account the cost of storage. Since we will have 4 points of unloading, the cost of delivery of consolidated cars will be 1600 UAH. The total local costs in Ukraine are UAH 2,747.

Thus, the cost of delivery is $3335 + 2747/29 = 3429 \$$.

The total amount of cargo transportation by individual flights is:

$$1403 + 258 + 1599 + 794 = \$ 4054$$

Comparing the total cost of transporting goods on individual flights and using the method of consolidation, we can see that shipping in consolidation costs less by \$ 625, which reduces the cost of each cargo.

Analyzing the results obtained, we can say that the proposed scheme has an economic effect that is directly proportional to the weight paid. Thus, the greater the consolidation made for shipments, the lower the overall fare.

However, since airline tariffs are dynamic in relation to other tariffs, we cannot recommend exactly from which paid weight the proposed cargo delivery scheme should be used. It is only possible to propose to adopt this scheme as one that can help increase the competitiveness of “Service Plus” LLC by reducing the cost of transportation. The method of cargo consolidation is profitable from an economic point of view, but still has certain disadvantages:

- a sufficient number of clients in one direction is required;
- dates of readiness of cargoes should coincide, differently there will be a delay in departures of the consolidated cargo;
- it is impossible to use this method for urgent cargo, which requires a minimum transit time.

We calculate the forecast of the effectiveness of the implementation of the proposed measures (Tabl.3.5). The forecast indicators were calculated on the basis of the extrapolation method (forecast data were agreed with the representatives of “Service Plus” LLC).

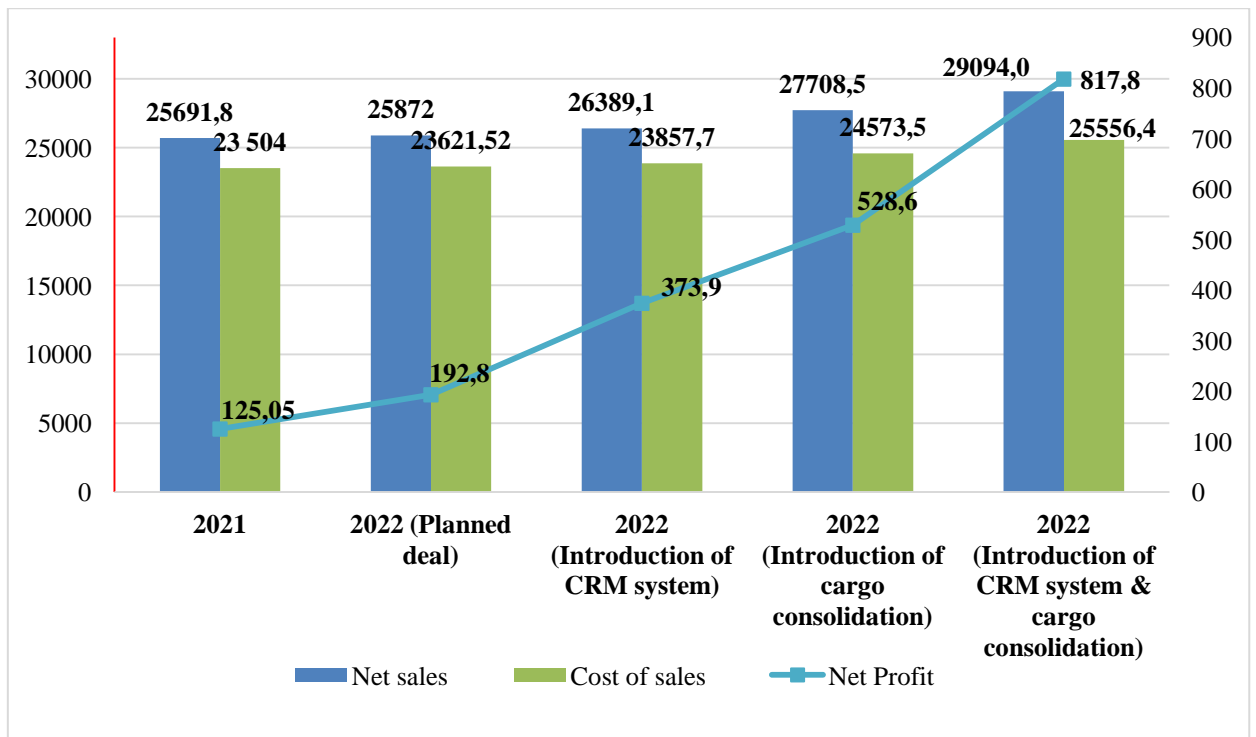


Fig. 3.1. Planning the result of the implementation of measures to improve the import operation of LLC “Service Plus”, 2022

Source: built by the author based on the application

The obtained results indicate that the implementation of the CRM system will lead to an increase in net profit by UAH 181,000, profitability - by 0.7%. Implementation of measures to implement cargo consolidation will increase net profit by UAH 335,700 and increase profitability by 1.2%. If the company implements all the proposed measures, it will increase net profit by UAH 624,900 and profitability by 2.1%.

Table 3.5

The cost of air transportation for individual routes LLC “Service Plus”, 2022

№	Indicators	Years					
		2021	2022 (Planned deal)	2022 (Introduction of CRM system)		2022 (Introdu cargo consol	
				forecast	Absolute deviation	forecast	4 c
1.	Net sales	25691,8	25872	26389,1	517,4	27708,5	
2.	Cost of sales	23 504	23621,52	23857,7	236,2	24573,5	
3.	Gross margin	2 188	2 250	2 531	281,2	3 135	
4.	Administrative costs, sales costs, other operating expenses (overhed expenses)	2035,3	2014,9	2075,4	60,4	2490,5	
5.	Financial result before taxation (export), EBIT (earnin before interest and taxes), EBITAD(amortization and depreciation)	152	235	456	220,8	645	
6.	NET financial result (export) (Tpr=18%) (0,82=100%-18%)	125,05	192,8	373,9	181,0	528,6	
7.	Effect						
7.1.	Profit	152	235	456	220,8	645	
7.2.	Net Profit	125,05	192,8	373,9	181,0	528,6	
8.	Effectiveness						
8.1.	Profitability of sales, %	0,49	0,75	1,42	0,7	1,91	
8.2.	Profitability of costs of sales, %	0,53	0,82	1,57	0,8	2,15	
8.3.	Profitability of total costs, %	0,49	0,75	1,44	0,7	1,95	

Source: made by the author based on company's data

CONCLUSION AND SUGGENSTIONS

After analyzing the first section of the coursework, we can conclude that organizational activity is a process by which the manager eliminates uncertainty, confusion, confusion and conflicts between people regarding work or authority and creates an environment suitable for their joint activities.

Organization (as a function) is the process of division, grouping and coordination of works, activities and resources to achieve its goals. The implementation of the function of the organization is carried out in the process of organizational activity.

Any organization as a social association, in which the achievement of a common goal unites a certain number of people, requires such a management structure within which the management process would be carried out.

That is why the organization needs a structure that would reflect the goals and objectives of the enterprise, that is, it belonged to production and changed along with the changes taking place at the enterprise, it will reflect the functional division of labor and the scope of powers of employees of the management apparatus.

The main functions of management are: planning, organization, leadership (leadership) and control. We believe that the function of leadership (management) is functionally necessary for the process of enterprise management. In practice, management functions are closely related to each other. Their interaction ensures the successful functioning of the enterprise in market conditions, regardless of external or internal factors of influence.

After analyzing the second section of the coursework, we can conclude that the private enterprise "Service Plus" is an LLC company that specializes in the sale of tickets and freight transportation.

This company is associated with foreign customers and, thus, during the years of the company's formation, a certain customer base was formed.

The company was opened in 2005 and since then has been working closely in the market, as well as engaged in development and innovation in this area, being in contact with foreign logistics companies of relevant tasks.

After analyzing the third section of the coursework, we can conclude that as a result of improving the management system, enterprises receive an economic and social effect: the volume increases and the efficiency of production increases, the rhythmic work of the enterprise is ensured, the savings of live and balanced labor are achieved, the quality of products improves, the nature of labor changes and facilitates, labor satisfaction increases, staff turnover is reduced, etc.

The use of these areas of improvement of the enterprise management system contributes to improving the efficiency of business processes, the quality of management decisions, improving strategic and operational planning of activities that will ensure the flexibility and adaptability of the enterprise to dynamic market conditions of management.

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