ORGANIZING THE LOGISTICS FOR BRANCH AND REMOTE OFFICES

Annotation. Importance and benefits of effective logistics at the enterprise, the basic stages of its formation, main components of logistics formation at the enterprise and its branch offices, the organization of logistics at remote offices, the advantages and disadvantages of it are considered. Ways are suggested for improving the delivery process in order to minimize the costs of the enterprise.

Логистика – это сложные системы, которые включают в себя множество составляющих. На предприятии, где отсутствует эффективное управление логистикой, происходит неоптимальное распределение ресурсов и материалы.

The process of formation of an enterprise logistics is complex, so it is advisable to divide it into several steps:
1st Stage – defining the main aspects of the formation of the logistics system;
2nd Stage – defining the major factor in developing the logistics system;
3rd Stage – formation of the logistics of the enterprise [3].

The main components of functioning of logistics are supply, production, marketing, sales, warehousing, transportation management, personnel.

All components of functioning of logistics are one of the factors in the formation of logistics at the enterprises. Material flows go through each of these functional components of logistics. During this process, there is a gradual transformation of the material flow at the various stages of its motion under the influence of flow and other logistics functions. All of the processes occurring in these components should be logically structured, and the basis of their performance should be the maximum interaction between various factors to form the logistics system. A buffer of interaction should act in the logistics at the enterprise. This principle will ensure effective functioning of the management of logistics flows at any stage of their movement in any functional area of it [4].

One of the components of the functioning of logistics is very important in case of branch offices. Warehouses are special buildings and appliances intended for reception, accommodation, maintenance and storage of raw materials and finished products. Moving the material flow in the supply chain is not possible without storage in certain areas. Movement through the warehouse is connected with the labor cost, so it increases the cost of goods. Therefore, the problems associated with the warehouse, have a significant impact on streamlining the movement of material flow in the supply chain, the use of means of transport and distribution costs [5].

All costs associated with the storage and warehouses should be appropriate. But could it be appropriate in the case of remote offices? For example we have a branch office in Dnepropetrovsk and a remote office in Pavlograd which is 60 km far from the city. In this case costs on the whole branch including the remote office would be huge and nonexpedient.

For such kind of running business the best way will be introducing the cross-docking principle. Cross-docking is a practice in logistics of unloading materials from an incoming semi-trailer truck or a railroad car and loading these materials directly into outbound trucks, trailers, or rail cars, with little or no storage in between. This may be done to the change type of conveynance, to sort material intended for different destinations, or to combine material from
different origins into transport vehicles (or containers) with the same, or similar destination [6]. Cross-dock operations were first pioneered in the US trucking industry in the 1930s, and have been in continuous use in LTL (less than truckload) operations ever since.

In the LTL trucking industry, cross-docking is done by moving cargo from one transport vehicle directly into another, with minimal or no warehousing. In retail practice, cross-docking operations may utilize staging areas where inbound materials are sorted, consolidated, and stored until the outbound shipment is complete and ready to ship [7].

Advantages of this principle are the streamlines of the supply chain from point of origin to point of sale, reduction of handling costs, operating costs, and the storage of inventory, products get to the distributor and consequently to the customer faster, reduction or elimination of warehousing costs. But along with that there are some disadvantages. For example potential partners don’t have necessary storage capacities for an adequate transport fleet to operate and computerized logistic system. Also an additional freight handling can lead to product damage.

In general, this principle requires precise calculations and justifications, as well as the effective planning and control methods. But it could be the best decision for the effective logistic system at your enterprise with minimal costs in case of optimal adaptation of the internal environment of the company to the external factors that influence its activity. The practical value of this research is that top managers at the time of planning can create an environment in which the company has a chance to expand their outlets by creating a remote office with minimal costs for logistics. This kind of organizing logistics will help to improve the planning process and decision making process.

---

**References:**