

Ministry of Education and Science of Ukraine
Kyiv National University of Construction and Architecture

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to the attestation graduation work

to obtain a master's degree

on the subject:

**Updating the operational management of construction enterprises based on
modern reengineering approaches**

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Relevance of the topic

In the context of increasing competition and integration with the European market, Ukrainian construction companies need efficient operational approaches. The use of reengineering allows to optimise processes, improve quality and productivity, which contributes to competitiveness and meets modern standards. The topic is relevant due to the need to update management to adapt to new market requirements and improve the overall efficiency of enterprises.

Logistics management is defined as a complex activity aimed at organising, planning, controlling and coordinating the flow of material, information and financial resources.

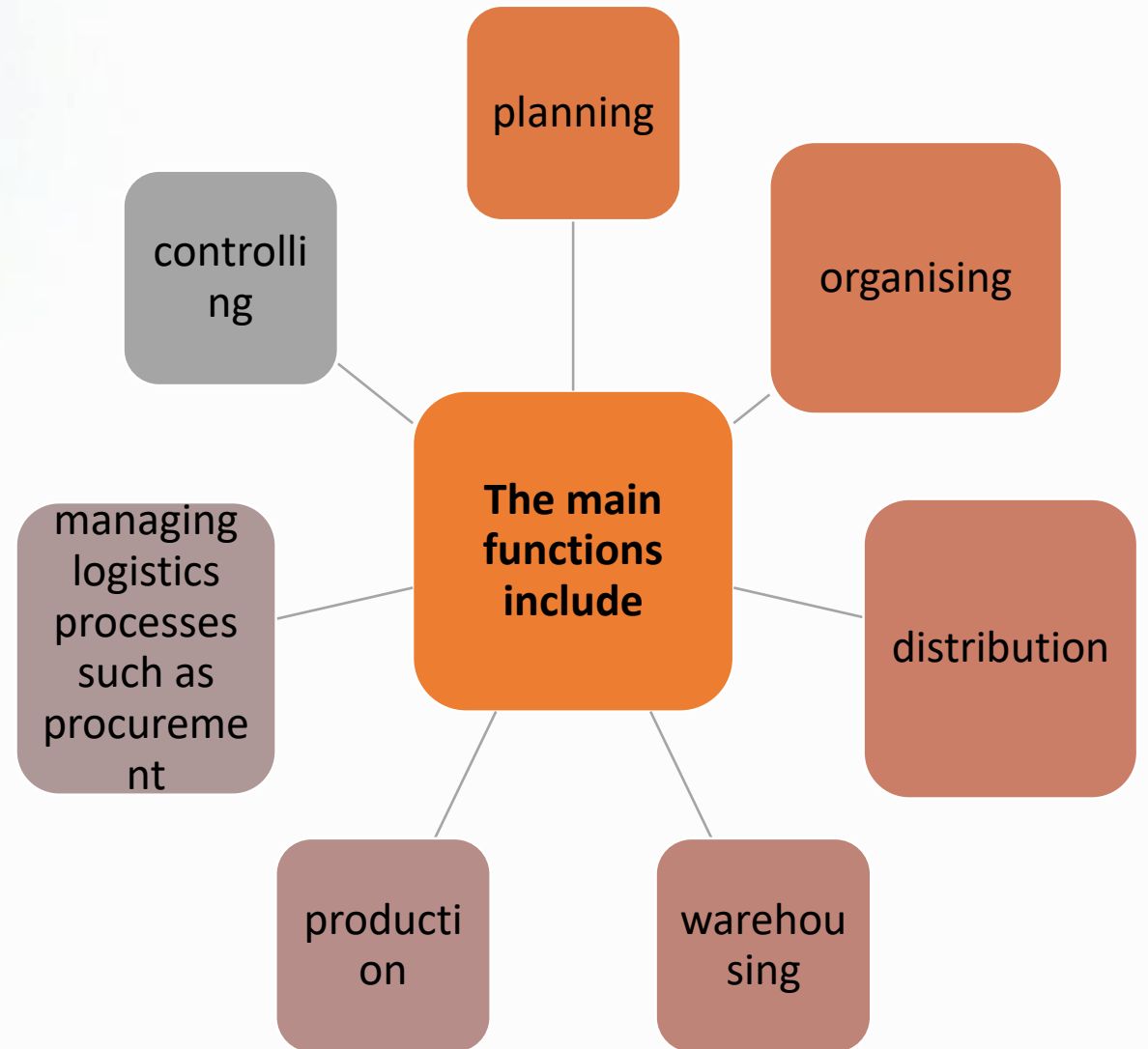
The leading logistics organisation, the Logistics Management Council, gives the following definition: **Logistics management** is the part of the supply chain process that plans, implements and controls the efficient and effective flow of goods, their inventory, service and related information from the point of origin to the point of consumption to meet customer requirements.

The main goal is to ensure the efficiency of supply chain management, meeting customer requirements at minimum cost.

The importance of logistics management:

- Increases the efficiency and competitiveness of enterprises by optimising logistics processes.
- It facilitates the integration of the enterprise into global supply chains and develops cooperation between partners.

Logistics management performs the functions of integrating management processes to ensure system-wide goals in logistics.



One of the main tasks of logistics management is to coordinate activities at the enterprise, which guarantees the achievement of the integrity of the interests of all employees.

Currently, there is a lack of regulatory support for logistics processes in Ukraine. For effective logistics management, legislative acts regulating the rights and obligations of management entities and creating a legal framework for the formation and transformation of logistics flows are used.

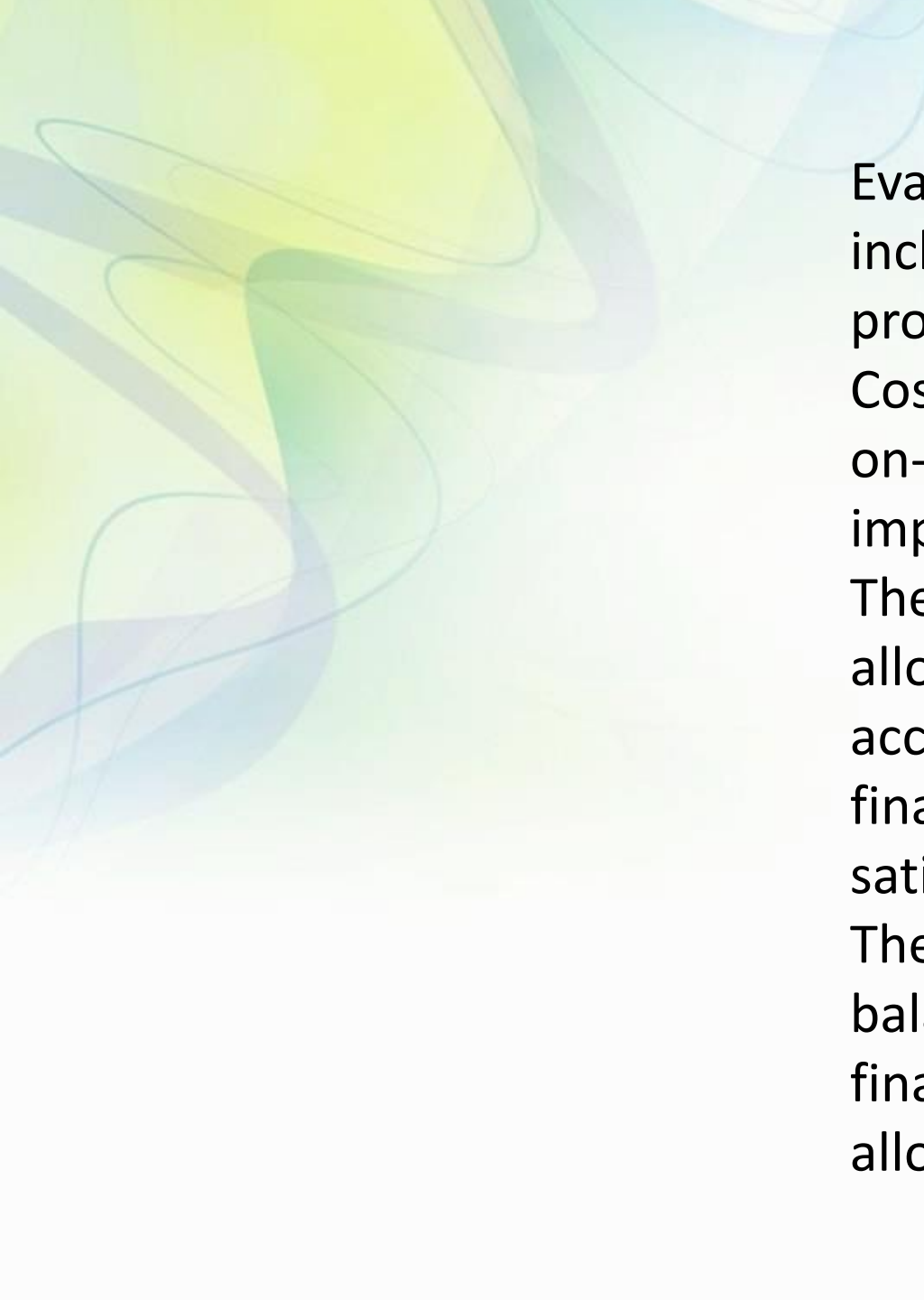
The legal framework for logistics management consists of:

- ❖ Legislative acts of Ukraine;
- ❖ Resolutions of the Verkhovna Rada and acts of the Cabinet of Ministers of Ukraine;
- ❖ Documents of local authorities.

Important elements of legal regulation include indicative planning of economic development, pricing and socio-economic policy, state support for production, privatisation, product standardisation, and control over the effectiveness of financial, customs and tax policies.

The main responsibilities of the regulatory bodies include:

- Quality management of information and material flows;
- Staffing;
- Determination of documentation for goods movement and quality control;
- Definition of contracts, subcontractors and internal inspections.



Evaluating the effectiveness of logistics management includes measuring costs, customer service, productivity and asset utilisation.

Costs are a key indicator, but other aspects such as on-time delivery and customer satisfaction are also important.

The integration of financial and operational metrics allows for balanced evaluation systems that take into account both past and forward-looking data. Non-financial indicators such as lead times and customer satisfaction are also important.

The innovative approach includes the concept of balanced benefits, which takes into account not only finances but also the company's strategic goals, allowing it to adapt to changes in the market.

Current state of logistics management in Ukraine: interregional asymmetries

Ukraine's economy is currently undergoing a difficult transformation to a market-based economy, accompanied by a decline in industry and slow development of the service sector. The effectiveness of logistics management in Ukraine is critical due to the country's strategic location at the intersection of trade routes between Europe and Asia. At the same time, there are a number of challenges: the infrastructure does not meet European standards and logistics costs remain high.

Interregional asymmetry in Ukraine is manifested in significant differences in infrastructure development, which affects the economic potential of the regions. For example, the Black Sea region (Odesa, Mykolaiv, and Kherson oblasts) is actively developing international logistics and trade due to its favourable maritime location and ports. The Carpathian region, on the other hand, focuses on recreation and tourism, taking advantage of its natural resources and unique landscapes. However, both regions need better transport and logistics infrastructure to reach their full potential. To overcome the asymmetry and ensure the country's even development, a comprehensive logistics strategy is needed that takes into account the specifics of each region and facilitates their integration into the national and international economy.

Problems of logistics management in Ukraine

Poor training of qualified personnel - insufficient number of logistics professionals.

Outdated technologies - limited use of modern technologies, such as bar coding, automated warehouse management systems and cargo tracking.

Low level of standardisation - lack of uniform standards in the logistics sector, which complicates integration with European markets.

Insufficient development of transport infrastructure - poor quality of roads, lack of warehouse space, insufficient integration between modes of transport (rail, sea, road).

Problems with cargo transportation - low efficiency of transportation due to poor coordination between modes of transport and an ageing fleet.

Limited electronic communications - poor development of communication systems and electronic networks.

Consumer distrust in the quality of Ukrainian goods - negative image of products due to low quality standards.

Ways to solve the problems

Improving education - introducing a dual education system that combines theory and practice to produce more qualified logistics professionals.

Implementation of new technologies - active use of modern IT solutions, such as automated warehouse systems, bar coding and real-time cargo tracking.

Increasing the level of standardisation - developing national standards that meet European norms to improve the quality and competitiveness of logistics services.

Development of transport infrastructure - modernisation and construction of new transport routes and warehouses, as well as integration between modes of transport to ensure fast and reliable transportation.

Modernisation of the fleet - renewal of ships to improve the efficiency of international transport and strengthen competitive positions.

Developing electronic communications - improving communications and electronic infrastructure, in particular for integration with international logistics networks.

Improving the image of Ukrainian goods - improving the quality of goods through certification according to European standards, which will increase consumer confidence.

The financial results of Ukraine's transport industry over the period from 2010 to 2018 show a gradual improvement, albeit with large fluctuations.

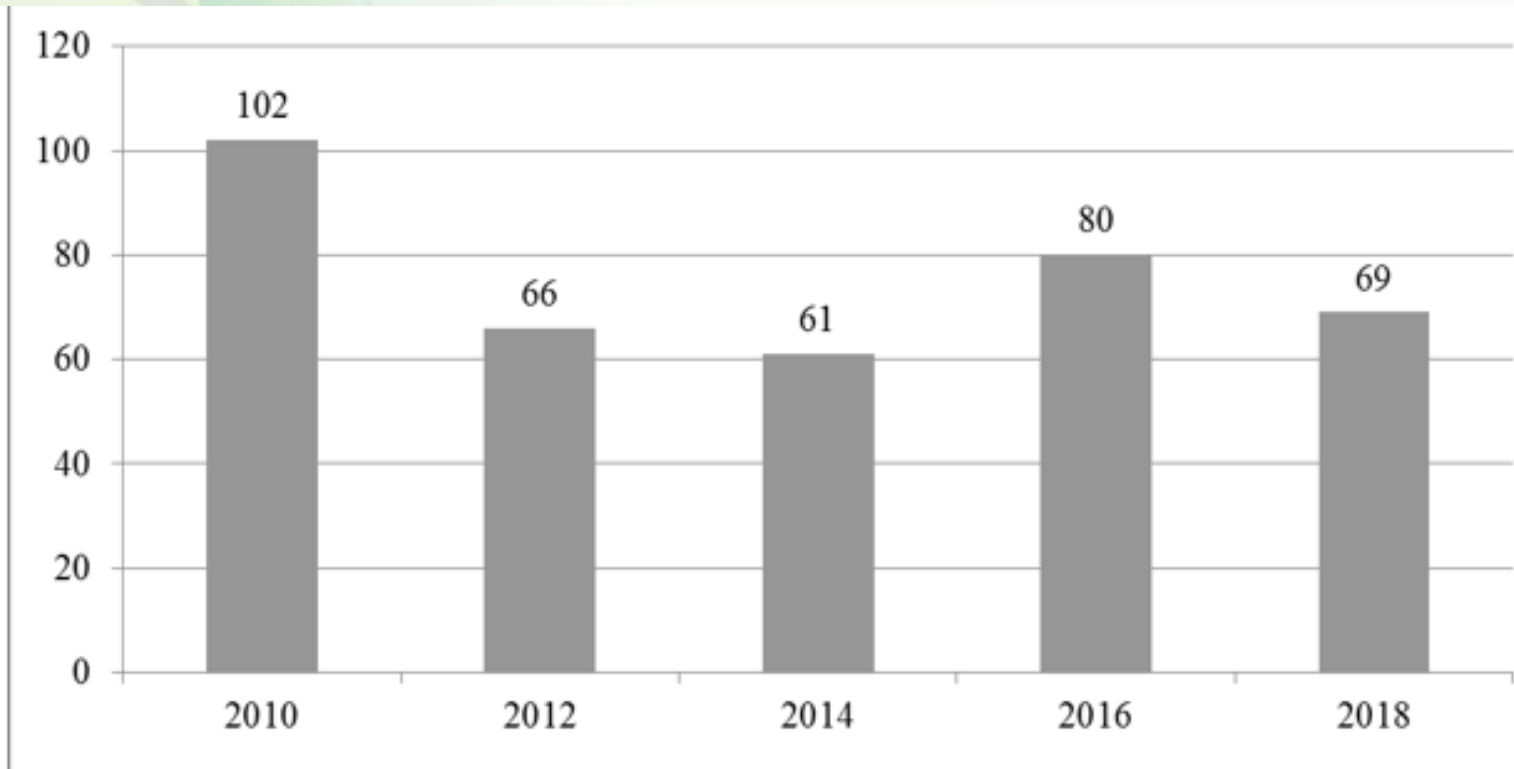
1.Overall financial result: In 2010, a positive balance was recorded (UAH 5058.9 million), but subsequent years, including 2014, were difficult, with large losses (over UAH 19.7 billion). By 2018, the profitability of enterprises increased to 74.1%, indicating an improvement in market conditions.

2.Unprofitable enterprises: Despite an increase in the share of profitable enterprises, 25.9% of enterprises remained unprofitable in 2018, with total losses of over UAH 52 billion.

3.Regional performance: Kyiv, Mykolaiv, Odesa, and other regions had a positive financial result due to their powerful enterprises. At the same time, Dnipropetrovska, Donetska, Zhytomyrska, and other regions experienced financial adversity. A higher percentage of profitable enterprises was recorded in small and medium-sized businesses in regions such as Ivano-Frankivsk, Cherkasy and Zakarpattia.

These results indicate a gradual improvement in the financial condition of the industry, although the asymmetry in efficiency and profitability between regions remains significant.

The analytical state of logistics at the European level for Ukraine includes an assessment of the effectiveness of integration with European transport networks, implementation of EU standards, introduction of innovative technologies, development of infrastructure for multimodal transport, and adaptation to modern environmental and digital requirements.



Ukraine's place in the "Logistics Performance Index LPI" rating

The main aspects of the transformation of Ukraine's transport and logistics system in view of European integration can be summarized as follows:

Forecast estimates: The calculations show high potential of the industry, provided GDP growth, which will help in planning strategic development for integration with the EU.

Financial mechanisms: Attracting investments, developing public-private partnerships, and credit privileges will contribute to the modernization of the industry.

European integration: Adaptation to EU standards (TEN-T), creation of a single logistics system with the EU, and development of transport corridors will strengthen Ukraine's competitiveness.

Innovations: It is necessary to introduce modern technologies (Big Data, ecological logistics) and increase the level of innovation activity in the industry.

Logistics platforms: The EU-Ukraine Western Platform (cooperation with the EU) and other regional platforms (central, eastern, southern) will strengthen international ties.

Infrastructure imbalances: Development of water transport, modernization of roads, and uniform development of regions are in line with European standards of sustainable development.

Social aspects: Salaries and working conditions should be in line with European standards to attract qualified professionals.

Infrastructure and resources: Adequate human, financial, and technical support is the basis for development. Digitalization and integration with European logistics platforms will increase efficiency.

Other factors: In addition to GDP, the economic structure, fiscal mechanisms, income levels, and inflation affect the development of the industry.

Integration with European logistics will allow Ukraine to become a key transport hub between Europe and Asia, which will contribute to economic growth.

In order to organize the work on the implementation of the Association Agreement, the Ministry of Infrastructure established a Coordination Council and eight working groups in the relevant areas (transport policy and infrastructure, security and transportation of dangerous goods, aviation, rail, sea, river and road transport, road transport, postal services and tourism). The working groups developed and approved 15 resolutions of the

of the Cabinet of Ministers of Ukraine and approved 45 plans for the implementation of EU legislation.

One of the key areas of cooperation between Ukraine and the EU is transport, in which, according to Article 367 of the Association Agreement, the parties

- ✓ - deepen and strengthen cooperation in the field of transport in order to promote the development of sustainable transport systems;
- ✓ - support the implementation of efficient and safe transport, as well as intermodality and interoperability of transport systems;
- ✓ - strengthen the main transport links between the territories of the Parties

Justification of the concept of the strategic program of the transformation of logistics management in the context of the implementation of the European integration direction of the development of the economy:

Integration into the European Economic Area:

- ✓ The strategic program for the transformation of logistics management should provide for the modernization of logistics processes and infrastructure with the aim of integrating Ukraine into the European economic community.
- ✓ For this, it is necessary to improve transport and logistics systems, transportation management and optimization of cargo overloading.

Creation of nodal point moorings:

- ✓ One of the key components of the program is the creation of nodal point berths for warehousing, storage and transshipment of containers.
- ✓ The nodal berths should allow to reduce transportation costs, optimize the use of infrastructure and reduce the time of ships parking in ports, which will positively affect the efficiency of international transportation.
- ✓ These berths can be located in neutral waters, which reduces administrative costs and simplifies customs procedures.

Optimization of transport and logistics routes:

- ✓ For effective integration into the European economy, it is necessary to improve transport and logistics routes, develop coordination between different types of transport and create logistics centers at the intersection of important routes.
- ✓ Such integration will reduce transportation costs and increase the efficiency of goods delivery.

Use of advanced technologies:

- ✓ An important element of the transformation is the application of the latest technologies for the automation of logistics management processes.
- ✓ The use of digital platforms for the exchange of information between participants in logistics chains will ensure transparency and efficiency, which will contribute to more successful integration into European economic structures.

Analysis of the experience of European countries:

- ✓ Studying the practices and experience of EU countries, such as Germany, where transport and logistics centers are actively used, will provide an opportunity to optimize the infrastructure and integration of various types of transport to reduce costs and increase the efficiency of logistics processes in Ukraine.

So, the basic directions of the European transport strategy, which must be taken into account when developing a comprehensive program for the development of transport in Ukraine, are:

- 1) Formation of effective mechanisms for attracting investments and procedures for financing basic infrastructure projects;
- 2) Organizational regulation of the implementation of projects to eliminate bottlenecks and disparities in transport provision between different types of transport, regions, as well as between basic and complex networks;
- 3) Achieving cross-border, technical and organizational compatibility with the networks of neighboring countries.

The Cabinet of Ministers of Ukraine approved the National Transport Strategy until 2030, which outlines the main priorities for the development of the transport and logistics system and generally corresponds to the general priorities adopted in the EU:

- "-efficiency of state management of the transport sector;
- provision of quality transportation services;
- ensuring stable financing of the transport industry;
- increasing safety and reliability of transportation;
- improvement of urban mobility and regional integration of Ukraine.

At the same time, there are no clear and consistent plans in the Strategy, and there are no mechanisms for its implementation. The strategy is not supported by reasonable calculations, does not contain defined sources of funding. In our opinion, the effectiveness of the implementation of the transport development strategy requires the development of a comprehensive model of strategic management of the national transport

a logistics system in which the distribution of functions, tasks and responsibilities is carried out organically both vertically (state-region (community) enterprise) and horizontally between branches.

The strategic vision of the development of the national transport and logistics system is a project of its future structure, spatial location of objects and relevant communications, the level of development of which corresponds to the strategic goals of the country's development, taking into account the prospects of inclusion in the European and world transport and logistics systems and is based on the results of a comprehensive assessment of the existing geographical, resource and economic potential.



Thank you for your attention!