

INTERNATIONAL SUPPLY CHAIN MANAGEMENT AS A BASIS FOR SUSTAINABLE DEVELOPMENT  
OF SUBJECTS OF FOREIGN ECONOMIC ACTIVITY

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*The article discusses the concept of the international supply chain management as one of main ways to improve the efficiency of export-oriented business entities in conditions of globalization of the economy. The advantages of well-planned international supply chain and factors influencing the process of their formation are noted. The main stages of the international supply chain management are described. Indicated on ensuring continuity and sustainability of production, long-term systematic development of subjects of foreign economic activity for building reliable international supply chain.*

**Keywords:** *international logistics, international supply chain, sustainable development, subject of foreign economic activity, information flow.*

Due to the rapid development of the market economy, there is an increasing interest in logistics and supply chain management to ensure a continuous, timely and accurate delivery of goods to their destination in order to save time and financial costs of their delivery.

Under the supply chain should be understood many links that are interconnected information, financial and material flows. The supply chain begins with the purchase of raw materials and ends with the sale of finished products (works, services) to the final consumer. Consequently, the supply chain is formed by several business entities [1]

The key task of logistic management is optimal supply chain management in order to optimize costs, delivery time of inventory items, as well as improve the quality of service. The supply chain describes how the goods come to the organization from the suppliers, how they move within the organization during the execution of the corresponding logistics operations, and how they are then sent to the final consumers.

The concept of "supply chain" is applied to the movement of any inventory values in the organization of any form of ownership and sectoral affiliation. The purpose of the supply chain is to meet the needs of the consumer with optimal costs.

Supply chain management includes the following important questions:

- increasing the degree of strategic importance of logistics;
- carrying out global operations and increasing the level of international competition;
- integration of organizations and activities;
- change in logistics management requirements when performing new types of operations;
- improvement of communications;
- identification of new requirements for e-commerce;
- increased attention to product quality and customer service;
- solving environmental problems [2, p. 56].

The concept of "international supply chain" refers to international logistics. International logistics is a strategic management of international supply chain, i.e. integration of logistic activities of organizations-supply chain links (operating, financial and marketing functions) and control over material, financial and information flows across borders and over the borders of various countries.

The object of the study of international logistics are international supply chains, the links of which are the subjects of foreign economic activity from different countries. The subject of study of international logistics is of the international supply chain management.

The international supply chain management can be viewed as designing, planning, executing, monitoring and monitoring the activities of economic agents in the international supply chain in order to create net worth, build a competitive infrastructure, use international leverage tools, synchronize supply with demand and improve the efficiency of the international supply chain as a whole.

In today's conditions of globalization of the economy, the international supply chain management is becoming an effective tool for improving the efficiency of business entities operating in the external market. The rapid development of the world market, toughening of competition, the requirements for improving the quality of customer service and the continuous growth of their inquiries pose new challenges for foreign economic

activity. In order to maintain competitiveness and strengthen its competitive advantages, a modern business entity needs to optimize all the processes of value creation - from the supply of raw materials to the service of the end user. To solve these problems, the management of subjects of foreign economic activity and refers to solutions for supply chain management. This is the part of the business associated with the optimization of the movement of the product from the moment of its creation (including the entire preparatory period) to the moment of its implementation to the end user.

Supply chains arise not only to improve the quality of customer service, but also to bridge the gaps that occur in cases where suppliers are located at a great distance from consumers. In addition to the movement of material resources between geographically distant business entities, international supply chains can eliminate the disparity between supply and demand, as well as simplify the movement of material resources.

The benefits of well-planned international supply chain are obvious and are as follows:

- Logistic operations are carried out in the best places for this, regardless of the location of customers;
- By concentrating the process of logistic operations, manufacturers can save on scales;
- Producers do not store large stocks of finished products, as they pass it along the supply chain closer to final consumers;
- Wholesalers place large orders, while manufacturers reduce the cost per unit of production, which makes it possible to give customers discounts;
- Wholesalers keep stocks of many suppliers, which gives retailers (retailers) the opportunity to choose the products they need;
- Wholesalers are placed closer to retailers and react more quickly to their orders;
- If wholesalers reliably supply products, then retailer stocks can be minimized;
- Retailers can perform small operations that allow them to more quickly respond to consumer requests;
- Carriage is simplified and cheaper. it will be carried out in large quantities;
- Economic entities can gain experience in performing specific types of operations [2, p. 75].

As for the formation of the international supply chain, they are based on export and import transactions that determine the effectiveness of the operational, marketing and financial functions of logistic management.

The following factors influence the formation of international supply chain:

- large geographical distances and temporal differences;
- coverage of several national markets;
- placement of elements of the logistics network in the territories of different countries;
- the great potential reported by the variety of supply and demand conditions.

A necessary condition for the creation of international supply chain is the transition from international economic integration through the internationalization of enterprises to a common logistics system [3, p. 167–169].

Four main spatial factors influence the formation of the international supply chain - this is globalization, technology, demand, macroeconomics.

In any case, when creating the international logistics chain, technology development plays a large role along with globalization processes in the broad context of macroeconomics.

Association of business entities of different states in the international supply chain should be considered in two perspectives:

- 1) in terms of the situation in which the subject of the transaction is a particular product or service, regardless of the country of origin;
- 2) from the position of business entities that constantly cooperate among themselves, who are going to change the profile of production or the market for the sale of their products [4, p. 53].

The spatial dimension of the structure of the international supply chain is determined by the location of enterprises-links of the logistics chain within the city, region, country and internationally.

An important condition for the formation of the international logistics chain is the division of risk between its links, the definition of hard and soft factors that determine the effectiveness of business entities in international logistics. This implies a search for coincidences between key and auxiliary logistic operations, hard and soft factors contributing to their execution.

You should also clearly understand the stages of the international supply chain management, which are divided into planning, procurement, production, delivery and return.

As part of planning, sources of supply are clarified, a synthesis and prioritization of consumer demand is made, reserves are planned, requirements for the distribution system are determined, as well as the volumes of

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production and supplies of raw materials, materials and finished products. The task to produce independently or to buy should be solved at this stage. Decisions relating to all types of resource planning and product life cycle management are also made at this stage. These processes make it possible to find a balance between supply and demand in order to devise a course of action that best meets the requirements of procurement, production and delivery.

At the procurement stage, key elements of supply management are identified, suppliers are assessed and selected, supplies are checked for quality, contracts are concluded with suppliers. It also includes processes related to the receipt of material resources, such as transportation, similar control, storage and posting. It is important to note that actions to manage the supply of goods and services must meet planned or current demand.

The production phase includes the implementation and management of structural elements, which implies control over technological changes, management of production facilities (equipment, buildings, etc.), production cycles, production quality, production shift schedule, etc. It also defines specific production procedures, such as the actual production procedures and cycles, quality control, packaging, storage and production (intra-plant logistics). All components of the processing of raw materials into finished products must meet the planned or current demand.

The delivery phase consists of managing orders, a warehouse, and transportation. Order management includes the creation and registration of orders, the formation of value, the choice of product configuration, as well as the creation and maintenance of a customer base, along with the maintenance of a database of goods and prices, and the management of debtors and creditors. Warehouse management involves a set of actions for the selection and packaging, packaging, creating special packaging for the client and shipment of goods. The infrastructure for managing transportation and delivery is determined by the rules for managing channels and orders, regulating the flow of goods and controlling the quality of delivery. All these processes must be aligned with planned or current demand.

At the return stage, the structural elements of product returns (defective, redundant, requiring repair) are determined, both from production to purchase and from delivery to production (determination of the product's condition, its placement, request for return authorization, scheduling of returns, direction for destruction and recycling). These processes also include some elements of after-sales service [5, p. 95].

Proceeding from the above-mentioned stages, the following divisions are often created by the subjects of foreign economic activity in order to organize and control the supply of goods:

- order management;
- order fulfilment management;
- supply management;
- manufacturing planning management;
- logistic management.

The main responsibilities here in the international supply chain management is to integrate the above structural units into a single system, to assist in resolving issues related to the execution of orders at various stages, delivery, export and import of goods. The international supply chain management is a specific management strategy to ensure the synchronization of individual links of international chains, to optimize the time and cost of supplying goods.

Thus, the international supply chain management is to control and plan all the activities of an enterprise for the supply of goods to the foreign market from the moment of the conclusion of the contract and the placement of the order until the moment of delivery of the goods to the final consumer. Also a very important role in the international supply chain management is played by modern information systems and technologies in the form of information flows, which are used to plan the purchase of raw materials and components, monitor the implementation of orders and synchronize all supply chains as a single system. Information systems and technologies allow you to monitor inventory, to ensure the appropriate document flow and the formation of the necessary shipping documents for transportation. With the use of information systems and technologies, a high degree of optimization of operations in international supply chain is achieved, and the time and cost of fulfilling orders is reduced. Information technologies and technologies make it possible to integrate and synchronize the entire international supply chain at a significantly higher level and minimize the resources consumed.

Reliable international supply chain ensures the continuity and sustainability of production, the long-term systematic development of subjects of foreign economic activity. Properly formed international supply chain allows you to increase sales, improve the quality of supply and attract new customers. Consequently, the

management of international supply chains plays a key role in modern international business, providing a real tool for the development of the international division of labour and world trade.

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