Economics

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### THE EFFECTIVE IMPLEMENTATION OF OUTSOURSING OF TRANSPORT SERVICES IN LOGISTICS INDUSTIAL INTERPRISES

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The article considers the essence of the logistics concept of "outsourcing" as an economic category, identified the benefits of outsourcing enterprises, and also describes the stages insertion of certain business processes outsourcing.

The contents and operation of their own transportation in industrial plants require extremely high costs, this leads the user to realize the necessity of transmission of the transport sector relevant specialized organizations. Management of transport facilities has its own specific features, so passing it on outsourcing, when this direction is not relevant for the company, frees up their own resources for basic tasks.

Outsourcing (use external sources) is a process run by a third party of specific tasks, business functions or business processes, usually not part of the main activities of the company, but necessary for the proper functioning of the business [1].

Outsourcing is used to improve business processes and services by getting rid of non-core activities.

According to experts of the American Institute of outsourcing (Outsourcing Institute, USA), the outsourcing of business processes is a dynamically developing type of optimization of activity of the enterprises, with most of that growth in the field of finance and accounting. Statistics compiled in 1997 by the American management Association, showed that more than 20% of the 600 surveyed firms had outsourced at least some of the financial and accounting operations, and 80% of the administrative functions.

The advantages of outsourcing:

• Cost savings. The value of outsourcing is much lower than the cost of building its own structure. With salaries of own staff the company is obliged to deduct taxes and contributions to the relevant funds. The cost of the outsourcer is a cost of the enterprise and reduce the tax base;

• Saving the working space. Creation of the own structure requires additional office space, additional office equipment, stationery, reference and legal systems, licensed software, etc.;

• Constant no-failure operation. Own staff of the company is obliged to provide annual leave, sick leave and others, and the organization-outsourcer works on a regular basis;

• Time savings. Recruitment is a difficult task that requires a lot of time. The necessary infrastructure, technologies and experts, it's all should be in the organization-outsourcer;

• Guaranteed quality. The organization-outsourcer has in its staff highly qualified professionals and has extensive experience in similar projects [1].

For large industrial organizations of the Republic of Belarus today the actual issue is to turn to third parties of functions shipping. With its composition and transport department, in order to reduce costs, the company can use the method of transformation fixed costs into variables, highlighting the transport department in a subsidiary, or passing it to the function of transportation as a third party. In case of successful realization, the project of transformation the transport units in an affiliated undertaking – provider of transport services aims to provide the industrial enterprises the ability to use all advantages non-core activities to outsourcing, above all, lower costs, high efficiency of management of financial flows and the release of additional funds.

In taking this decision, the company should justify its economic efficiency by matching quantitative and qualitative indicators that make up the complex characteristics of the project and allows us to assess how profitable the enterprise is according to its practical implementation. In modern conditions the priority is given to the evaluation of quantitative indicators for the analysis method and cost comparisons. Besides we need to add up all the costs, variables, and constants that are associated with the operations and maintenance of its own car park and match them with the costs that will be borne by the organization, if we give all these functions to the outsourcing company (affiliated undertaking) – transport organization [2].

Outsourcing of transport is not a profitable business. For this service provider, it is beneficial only in the case of a long-term contract. At the same time for transmission to the client under external control such non-core assets as a transport department may be the only opportunity to increase its efficiency. Industrial enterprises are implementing modern management system, as a rule, on the primary production, at the same time rarely used in these systems to manage non-core assets, including transport departments. That's why business leaders do not have the full picture: what is the real market value of transport services, on the one hand, and what the costs necessary to maintain and develop their own transportation resources in the other hand. As a result, enterprises often spend considerable means for own transport, although today it is possible to save money [3].

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There are stages that take certain business processes outsourcing, including:

1) the stage of technological, organizational and economic audit of the motor transportation economy of the enterprise, which allows to identify its current status, to determine the real costs of transport and so on;

2) the stage of tariff setting, which provides the cost of transport services not to car-hours, but to scope of work;

3) the stage of conditions for the establishment of outsourcing in the organization and signing of contracts;

4) the stage of direct work of the outsourcing organization, as well as addressing all legal and organizational issues related to the early provision of services on an outsourcing basis.

That is why, the transfer of certain business processes outsourcing not only allows to optimize expenses, to free up human and time resources, to avoid the necessity to solve problems related to the transport operation, but also to focus on improving the quality of manufactured products (performed works, rendered services), it is more efficient to organize the work of the main production units. This, of course, leads to significant economic effect.

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