

**Kyiv National University of Trade and Economics**  
**Department of Foreign Economic Activity of Enterprise**

**FINAL QUALIFYING PAPER**

on the topic:

**«Assessment of the competitiveness of the enterprise – subject of foreign economic activity»**

(based on materials of PJSC "DHL International Ukraine", Kyiv)

Student of 2 year, 5 am group  
Specialty 073 «Management»,  
specialization «Management of  
Foreign Economic Activity»

Kravchenko  
Olena

\_\_\_\_\_  
(*student's signature*)

Scientific adviser  
of the final qualifying paper:  
Candidate of Sciences (Economics),  
Associate Professor

Pugachevska  
Kateryna

\_\_\_\_\_  
(*advisor's signature*)

Manager of the program  
Candidate of Sciences (Economics),  
Associate Professor

Serova  
Lyudmila

\_\_\_\_\_  
(*signature*)

**Kyiv 2019**

## CONTENT

INTRODUCTION.....	3
SECTION 1.THERESEARCH OF THE COMPETITIVENESS LEVEL OF PJSC "DHL INTERNATIONAL UKRAINE".....	6
1.1Analysis of financial and economic activity of PJSC "DHL International Ukraine"....	6
1.2Analysis of foreign economic activity of PJSC "DHL International Ukraine".....	16
1.3 Evaluation of the competitiveness of PJSC "DHL International Ukraine".....	25
Conclusions to section 1.....	33
SECTION 2.JUSTIFICATIONOF WAYS OF INCREASING PJSC "DHL INTERNATIONAL UKRAINE"COMPETITIVENESS ON THE INTERNATIONAL MARKET .....	36
2.1 Substantiation of proposals for increasing the competitiveness of services of PJSC "DHL International Ukraine".....	36
2.2 Development of the range of measures to improve the competitiveness of PJSC "DHL International Ukraine".....	41
2.3 Forecast evaluation of the effectiveness of the proposed actions for PJSC "DHL International Ukraine".....	47
Conclusions to section 2.....	53
CONCLUSION.....	55

REFERENCES ..... 59

APPENDICES ..... 62

## INTRODUCTION

Enterprise competitiveness management is a complex scientific problem, the solution of which is related to the improvement of the whole enterprise management system, the implementation of specific activities for preserving, developing and increasing competitive advantages, creating a system of accounting, analysis and control of competitors' activities, the development and implementation of competition strategy.

Integration of the national market into the international sphere requires the search for ways to increase the competitiveness of goods and services. In Ukraine, most domestic enterprises suffer great losses due to quite difficult economic situation, but still try to stay in the market. In such conditions, competition is increasing and becoming more rigid, so all business entities must properly organize their activities. The lack of transparency of the functioning of the national market, inefficient use of various marketing techniques taking into account market fluctuations exacerbate the problem of insufficient competitiveness of business.

Logistics services are important components of a market economy. It is through the principles of logistics and the application in practice of the principles and methods of organizing logistics processes (required goods, or important documents - bills of lading, in the right quantity, guaranteed quality, in the right place, at the right time) ensures the smooth, uninterrupted movement of materials, resources and ready products from producer to consumer.

Modern globalization of economic relations in the world market, development of existing and creation of new international transport corridors, trade and transport networks, development of logistics infrastructure, expansion of technologies confirm the importance for Ukraine of development of the market of logistics services, which is experiencing rapid development in the world.

According to World Bank research, in 2018, Ukraine ranks 66th among 160 countries in terms of logistic efficiency index (efficiency of customs clearance

procedures, transport logistics infrastructure, accessibility and ease of organizing international supplies).

The problem of the development of competition and increasing the competitiveness of the enterprise has deep and comprehensive study in the writings of foreign scientists (I. Ansoff, G. Gamel, P. Drucker, R. Eschenbach, F. Kotler, M. Porter, K. Prahalad, D. Ricardo, A. Thompson, etc.) and domestic scientists (L. Artemenko, V. Bazylevych, I. Bulakh, G. Voronin, etc.). They researched the processes of enterprise competitiveness management, improved methodological approaches for competitiveness assessment and their scientific views, and formed effective strategic management of organizations.

Theoretical and methodological persons working and developing in the market of logistics services in Ukraine perform such scientific works as E. Krykavsky, M. Grigorak, N. Chukhray, O. Amelnitskaya, O. Knyazev and others. This problem is also covered by foreign scholars: D. Baueroks, J. S. Johnson, D. F. Wood, D. L. Wardlow, P. R. Murphy, J. D. Waters, Michael R. Linders, G. Sommerer and others. However, despite a large number of works and a sufficiently high level of coverage of the problems of competitiveness of the enterprise, in particular, systems of logistically oriented management of the supply chain of express cargoes are not sufficiently covered. Scientific interest in this topic is not diminished due to the dynamism of economic processes, instability of the economic environment, aggravation of competition of economic entities. The need for theoretical substantiation, methodological support and development of practical recommendations for the evaluation and management of the competitiveness of the logistics industry has determined the relevance, purpose and objectives of the study.

The purpose of the study is to substantiate the directions of improving the management of the competitiveness of the logistics enterprise in current business environment.

The aim of the study led to the need to solve the following problems:

- to investigate the current state of financial and economic activity of the enterprise;
- to evaluate foreign economic activity of PJSC "DHL International Ukraine";

- to evaluate the international competitiveness of PJSC "DHL International Ukraine";
- to substantiate proposals for improving the competitiveness of services;
- to develop a program of introduction of the mechanism of increasing the competitiveness of the enterprise;
- to develop an estimate of the effectiveness of the proposed activities for the company.

The object of the study is the process of ensuring the competitiveness of the enterprise - subject of foreign economic activity.

The subject of the study is a set of theoretical, scientific and methodological provisions and practical recommendations for ensuring the competitiveness of the enterprise - subject of foreign economic activity.

The following research methods were used in the work: graphic modeling, which was used for visual presentation of research results, analytical and structural-logical methods for economic substantiation of the effectiveness of the submitted proposals, economic and statistical for calculations regarding the state of the logistics services market, as well as systematization and generalization of indicators.

The information base of the research is the works of domestic and foreign scientists, monographs, collections of scientific papers, articles in professional scientific publications, materials of scientific conferences, official statistics, as well as the balance of the enterprise of PJSC DHL International Ukraine.

Scientific novelty of the conducted research consists in substantiation of scientific and methodical approaches to formation and increase of the level of competitiveness of the enterprise; a set of scientific and practical recommendations on improving the competitiveness and improving the foreign economic activity of the enterprise. On the basis of the available resources of economic potential, proposals for implementation of the updated competitive strategy of accelerated growth with differentiation elements for PJSC "DHL International Ukraine" were developed, which result in increase of profitability and increase of competitiveness of the enterprise.

The results of research into ways to increase the competitiveness of the enterprise can be used in the practice of PJSC "DHL International Ukraine" and other enterprises

that specialize in express freight transportation to improve the efficiency of the company in today's market conditions.

The results of the study were published in the collection of scientific articles of students of the Master's degree program, specializing in Management of Foreign Economic Activity.

## **SECTION 1.**

### **THE RESEARCH OF THE COMPETITIVENESS LEVEL OF PJSC "DHL INTERNATIONAL UKRAINE"**

#### **1.1 Analysis of financial and economic activity of PJSC "DHL International Ukraine"**

DHL is an international express delivery company for goods and documents, a leader in the global logistics market. The company was founded in Germany on September 20, 1969 for the transfer of documents between San Francisco and Honolulu, but soon DHL expanded its activities to the whole world. The company's name has been approved for the first letters of the names of the newcomers - Adrian Dalsey, Larry Hillblom and Robert Lynn. Currently a member of the Deutsche Post DHL Group. The headquarters of the company is located in Bonn (Germany).

PJSC DHL International Ukraine has been operating in Ukraine since 1991 and it is one of the recognized leaders of the Ukrainian market of express delivery and logistics. Today, it is one of the biggest and professionally equipped express delivery networks in the country. The number of staff of DHL Express Ukraine is more than 330 professionals. 48 service centers operate around the country – they allow serving more than 100 cities and towns in the country. DHL Office in Ukraine is connected with the company's international network by a charter flight Leipzig-Kyiv-Leipzig that delivers up to 20 tons of cargo five times a week [2].

The research enterprise of PJSC DHL International Ukraine specializes in rendering transport and logistics services in the Ukrainian market and in foreign markets. In Ukraine, this company is one of the largest international logistics operators,

exceeding the scope of activity of even such an operator as LLC "Nova Poshta". The company centralized the company's internal resources: finance, information technology and supply. This combination can increase business flexibility, improve service levels and reduce costs.

The analysis of the financial and economic performance of the enterprise of PJSC DHL International Ukraine was performed on the basis of determining and evaluating the absolute and relative indicators of the formation of financial results, assets and liabilities, the level of financial condition, profitability and business activity of the enterprise. The Balance Sheet and the financial statements set out in Appendices A, B are used for the calculations. Table 1.1 shows revenue, expense and financial performance indicators.

Table 1.1

**Dynamics of financial results of PJSC DHL International Ukraine  
for 2014-2018, ths. UAH**

Indicators	The value of the indicator					Deviation			
						Basic, 2018/2014		Chain, 2018/2017	
	2014	2015	2016	2017	2018	Absolute, ths. UAH	Relative, %	Absolute, ths. UAH	Relative, %
Net income from sales of products (goods, works, services)	268468	357590	465817	577718	622351	353883	131,8	44633	7,7
Cost of sales (goods, works, services)	238314	305133	404674	492333	522381	284067	119,2	30048	6,1
Gross profit	30154	52457	61143	85385	99970	69816	231,5	14585	17,1
Other operating income	15152	27342	10141	11313	12172	-2980	-19,7	859	7,6
Administrative expenses	23196	23874	26949	32188	33862	10666	46,0	1674	5,2
Selling expenses	8138	22959	25577	33409	35013	26875	330,2	1604	4,8
Other operating expenses	2639	21621	6131	6676	6896	4257	161,3	220	3,3
Operating result: profit	11333	11345	12627	24425	36371	25038	220,9	11946	48,9
Other financial income	71					-71	-100,0	0	
Other income	2761	3753	2730	1131	808	-1953	-70,7	-323	-28,6
Financial expenses	0	176	839	741	652	652		-89	-12,0
Other expenses	466	1475	1170	449	502	36	7,7	53	11,8



Financial result before tax: profit	13699	13448	13348	24366	36025	22326	163,0	11659	47,9
Income tax expense (revenue)	3959	2737	2660	4765	6485	2526	63,8	1720	36,1
Net financial result: profit	9740	10711	10688	19601	29541	19801	203,3	9940	50,7

Source: conducted by the author based on the financial statements of the enterprise

As the data in table.1.1, the net income of the enterprise increased in 2014-2018 by 353883 thousand UAH, that is 131.8 percent. In 2017-2018, there is an increase of UAH 44633 thousand or 7.7%. Revenue growth was accompanied by an increase in cost. However, the cost growth rate was lower in comparison to the net income growth, which led to positive dynamics of gross profit - in 2014-2018 this indicator increased by UAH 69816 thousand (231.5%), and in 2017-2018 - by UAH 14585 thousand or by 17.1%. The net profit of the enterprise increased in 2014-2018 by 19801 thousand UAH (203.3%), and in 2017-2018 - by 3.6 thousand UAH or 50.7%.

In the table. 1.2 shows the dynamics of assets of PJSC DHL International Ukraine for 2014-2018.

Table 1.2

Dynamics of the assets of PJSC DHL International Ukraine  
for 2014-2018, thousand UAH

Indicators	On 31.12.					Deviation			
						Basic, 2018/2014		Chain, 2018/2017	
	2014	2015	2016	2017	2018	Absolute, ths. UAH	Relative, %	Absolute, ths. UAH	Relative, %
Non-current assets	25561	40199	65951	85887	89649	64088	250,7	3762	4,4
- fixed assets	24312	31373	48123	64022	66878	42566	175,1	2856	4,5
- others	1249	8826	17828	21865	22772	21523	1723,2	907	4,1
Current assets	57344	53671	47516	68304	68804	11460	20,0	500	0,7
- TMC stocks	799	1127	1188	2239	2347	1548	193,7	108	4,8
-receivables	45007	45904	40437	55505	57106	12099	26,9	1601	2,9
- Cash and cash	11455	5338	4795	9328	9149	-2306	-20,1	-179	-1,9

equivalents									
- other current assets	83	1302	1096	1232	202	119	143,4	-1030	-83,6
Assets	82905	93870	113467	154191	158453	75548	91,1	4262	2,8

Source: conducted by the author based on the Balance Sheet of the enterprise

According to the data in Table 1.2, the volume of property (assets) of PJSC DHL International Ukraine for 2014-2018 increased by UAH 75548 thousand or by 91.1%. Including, it was possible to observe an increase in the volume of non-current assets mainly due to the increase of fixed assets (equipment modernization) by 42566 thousand UAH (+ 175.1%). It should be noted that the share of non-current assets in the structure of assets of the enterprise (Fig. 1.1).

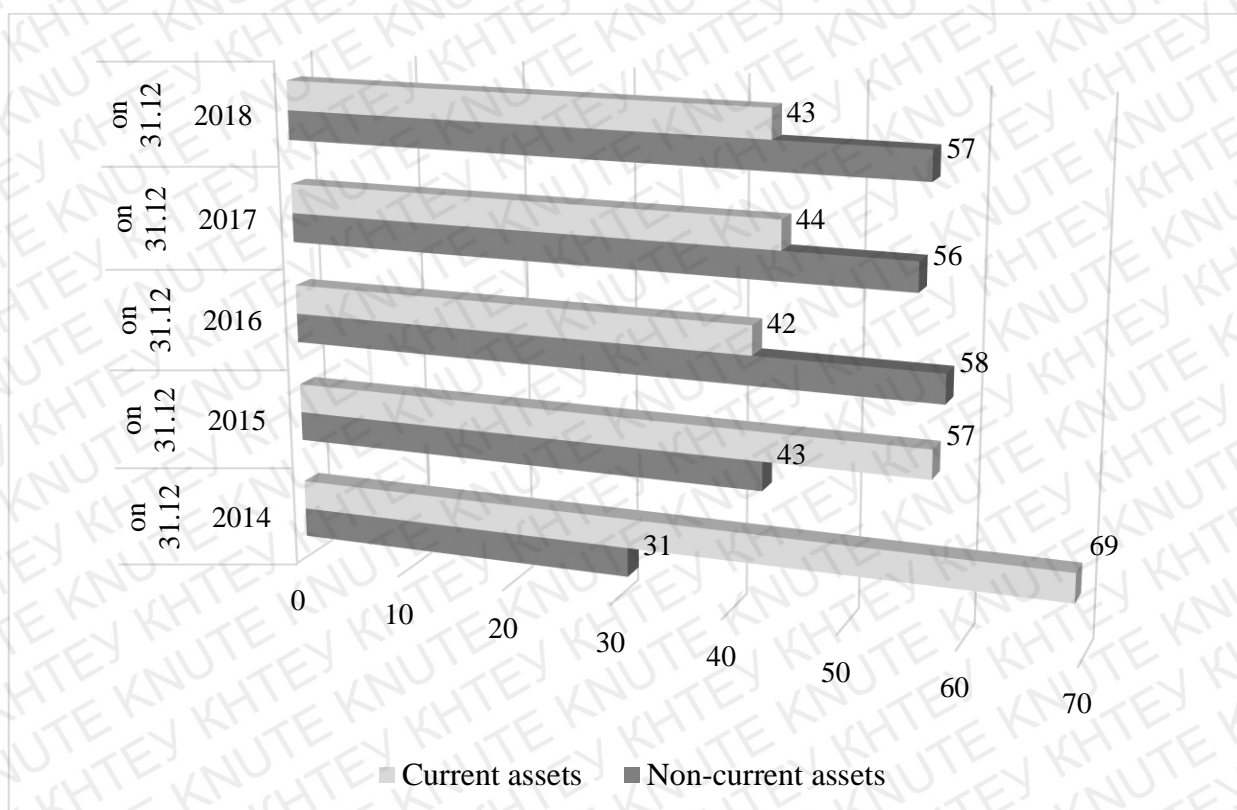


Fig. 1.1. Dynamics of Assets Structure of PJSC DHL International Ukraine in 2014-2018, %

Considering the structure of assets of the enterprise (Fig. 1.1), it should be noted that the ratio of current and non-current assets is at the level of 43:57. Current assets account for 43% of the enterprise's total assets, and non-current assets account for up to

57%. It should be added that the fixed assets are dominated as a share of non-current assets. The formation of such an asset structure is caused by the fact that PJSC DHL International Ukraine, as a logistics company, has its own extensive transport fleet and the appropriate infrastructure for its servicing on the territory of Ukraine.

The table. 1.3 shows the dynamics of liabilities of PJSC DHL International Ukraine for the years 2014-2018.

Table 1.3

Dynamics of capital of PJSC DHL International Ukraine  
for 2014-2018, thousand UAH

Indicators	On 31.12.					Deviation			
						Basic, 2018/2014		Chain, 2018/2017	
	2014	2015	2016	2017	2018	Absolute, ths. UAH	Rela- tive, %	Absolute, ths. UAH	Rela- tive, %
Equity	52500	62346	72729	92330	92668	40168	76,5	338	0,4
- undivided profit	42802	52648	63031	82632	82970	40168	93,8	338	0,4
- other equity items	9698	9698	9698	9698	9698	0	0,0	0	0,0
Debt capital	30405	31524	40738	61861	61523	31118	102,3	-338	-0,5
- payables	27940	23312	26253	45090	44122	16182	57,9	-968	-2,1
- payables on pay and insurance, with a budget	2079	1158	781	2237	2320	241	11,6	83	3,7
- other items of current liabilities	386	7054	13704	14534	15081	14695	-	547	3,8
Capital together	140249	93870	113467	154191	158453	18204	13,0	4262	2,8

Source: conducted by the author based on the Balance Sheet of the enterprise

As the data in table. 1.3, in 2014-2018 the amount of equity of the enterprise increased by 40168 thousand UAH (+ 76.5%), and in 2017-2018 - by 338 thousand

UAH (+ 0.4%). The amount of borrowed capital mainly consisted of accounts payable to suppliers of raw materials. In 2018, commodity accounts payable increased by UAH 16182 thousand (+ 57.9%) compared to 2014.

The capital structure of PJSC DHL International Ukraine for 2014-2018 is shown in Fig. 1.2.

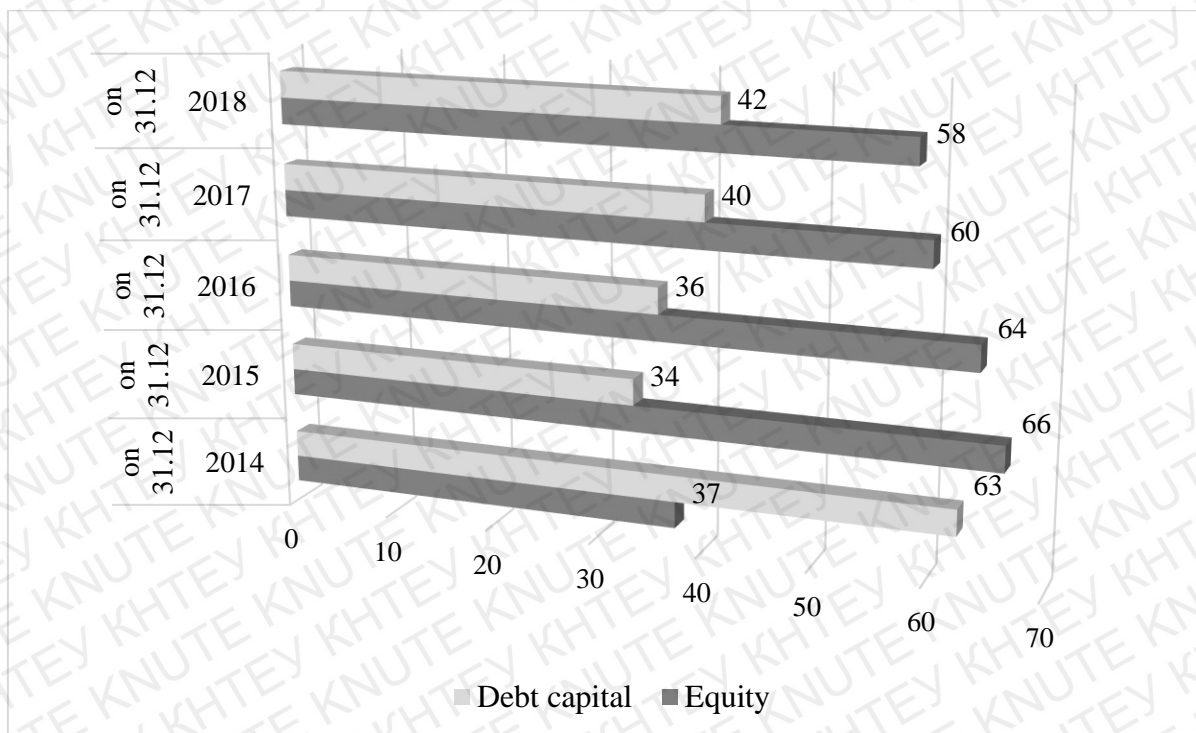


Fig. 1.2. Dynamics of capital structure of PJSC DHL International Ukraine in 2014-2018, %

Describing the dynamics of the capital structure of PJSC DHL International Ukraine (Table 1.3, Fig. 1.2), it should be added that its share is dominated by equity - 42-58%. If in 2014 the share of loan capital was 63%, as of December 31, 2018 this share decreased to 42%.

Important indicators that express the effectiveness of the financial and economic activities of PJSC DHL International Ukraine are the level of profitability, it is the ratio of indicators of net profit of the enterprise to assets, capital, revenue, fixed assets, etc. The results of the evaluation of profitability are given in Table. 1.4.

Based on the data of the table. 1.4. it is possible to analyze the level of profitability of using different resources of PJSC DHL International Ukraine. For the

calculation of profitability indicators, it was used indicators of the average annual values of fixed assets, assets, equity, which are taken on the basis of the balance sheet of the enterprise.

Table 1.4

Dynamics of profitability indicators of  
PJSC DHL International Ukraine for 2014-2018

Indicators	The value of the indicator by years					Deviation			
						Basic, 2018/2014		Chain, 2018/2017	
	2014	2015	2016	2017	2018	Absolu te, ths. UAH	Rela- tive, %	Absolu te, ths. UAH	Rela- tive, %
Return on assets, %	14,1	12,1	10,3	14,6	19,2	5,0	35,7	4,5	30,8
Return on equity, %	20,4	18,7	15,8	23,8	31,9	11,5	56,2	8,2	34,5
Profitability of fixed assets, %	43,5	38,5	26,9	35,0	45,1	1,6	3,8	10,2	29,1
Profitability of labor costs, %	22,7	21,9	19,3	33,1	47,9	25,2	111,4	14,8	44,9

Source: conducted by the author based on the financial statements of the enterprise

From the data table. 1.4it is possible to conclude that the value of implementation profitability indicators in 2014-2016 tended to decrease. Thus, if in 2014 the level of profitability of services rendered 3.6%, in 2016 - 2.3%. This trend may be explained by the consequences of the financial crisis. However, in 2017-2018, the level of profitability of services has resumed an upward trend. This was due to a significant increase in transportation revenue at relatively low rates of increase in hryvnia equivalent.

The dynamics of other profitability indicators repeated the dynamics of the profitability of service delivery. This indicates reflect the growing efficiencyof use of enterprise resources in the 2017-2018.

Analyzing the indicators of efficiency of use of financial resources, it should be noted that for the enterprise it is important to maintain an adequate level of solvency and liquidity (Table 1.5). Solvency and liquidity characterize the financial position of an

entity, its available and potential opportunities for effective activity. This demonstrates the ability of an enterprise to successfully fulfill its monetary obligations to other market entities [3].

Table 1.5

Dynamics of liquidity and solvency ratios of PJSC DHL International Ukraine for 2014-2018

Indicators	On 31.12.					Deviation			
						Basic, 2018/2014		Chain, 2018/2017	
	2014	2015	2016	2017	2018	Absolute, ths. UAH	Relative, %	Absolute, ths. UAH	Relative, %
Total solvency ratio	5,74	4,74	3,83	4,20	9,29	3,5	61,8	5,1	120,8
Ratio of intermediate solvency	1,59	1,39	1,30	1,25	3,01	1,4	89,7	1,8	140,8
Acid Test Ratio	0,06	0,16	0,46	0,13	0,37	0,3	551,8	0,2	186,9
Level of participation of receivables in covering current liabilities	1,48	1,46	0,99	0,90	0,93	-0,6	-37,3	0,0	3,4

Source: conducted by the author based on the Balance Sheet of the enterprise

As the data in table. 1.5, as a whole it was possible to observe a tendency to decrease the level of solvency of the enterprise in 2014-2016 as a result of the reduction of the share of the liquid part of the assets in their overall structure. The quick liquidity ratio is relatively volatile, however, as of 2018, it was 0.37 and was within the regulatory range, with 0.37 hryvnia of highly liquid current assets per hryvnia.

The company minimized accounts receivable and inventory balances in times of crisis. However, in 2017-2018, there was a gradual increase in the level of solvency. However, the value of the ratio of receivables to cover current liabilities indicates that there are trends in the optimization of current assets.

The dynamics of the coefficients of financial stability of the enterprise are given in table. 1.6.

Table 1.6

Dynamics of Financial Sustainability Ratios of PJSC DHL International Ukraine for 2014-2018

Indicators	On 31.12.					Deviation			
						Basic, 2018/2014		Chain, 2018/2017	
	2014	2015	2016	2017	2018	Absolute, ths. UAH	Relative, %	Absolute, ths. UAH	Relative, %
Financial autonomy ratio	0,63	0,66	0,64	0,60	0,60	-0,03	-5,1	0,00	0,4
Debt ratio	1,58	1,51	1,56	1,67	1,66	0,1	5,4	-0,01	-0,4
Financial leverage ratio	0,58	0,51	0,56	0,67	0,66	0,1	14,6	-0,01	-0,9
Coefficient of maneuverability of equity	0,51	0,36	0,09	0,07	0,08	-0,4	-84,7	0,01	12,6

Source: conducted by the author based on the Balance Sheet of the enterprise

Indicator debt ratio helps investors and creditors analysis the overall debt burden on the company as well as the firm's ability to pay off the debt in future, uncertain economic times [3]. As the data in table. 1.6, the value of the level of financial stability in 2014 -2018 indicates an increase in the level of financing of assets through borrowing capital. In particular, this led to an increase in financial leverage from 0.58 points in 2014 to 0.66 points at the end of 2018. Contrary to the above trend, the value of the level of financial autonomy decreased.

It is also worth noting the decrease in the level of equity of the capital. If in 2014 this indicator was 0.51 points (its, 51% of working capital was generated from equity), in 2018 this indicator was already 0.08%. These dynamics indicate an increase in the level of financing of current assets due to credit arrears.



Dynamics of business activity indicators of PJSC DHL International Ukraine for 2014-2018 are presented in Table. 1.7.

Table 1.7

Dynamics of business activity indicators of PJSC DHL International Ukraine for 2014-2018

Indicator	Values by years					Basic, 2018/2014		Chain, 2018/2017	
	2014	2015	2016	2017	2018	Absolute, ths. UAH	Relative, %	Absolute, ths. UAH	Relative, %
Current assets turnover ratio	5,9	6,4	9,2	10,0	9,1	3,2	53,3	-0,9	-9,0
Inventory turnover ratio	348,9	316,9	349,6	287,3	227,8	-121	-34,7	-59,5	-20,7
Accounts receivable ratio	7,9	7,9	10,8	12,0	11,1	3,2	39,9	-1,0	-8,2
Ratio of accounts payable	12,4	11,9	16,3	13,8	11,7	-0,6	-5,2	-2,1	-15,1
Period of turnover of inventories, days	1,0	1,1	1,0	1,3	1,6	0,5	53,2	0,3	26,1
Accounts receivable turnover period, days	45,6	45,8	33,4	29,9	32,6	-13,0	-28,5	2,7	9,0
Duration of the operating cycle, days	46,6	46,9	34,4	31,1	34,2	-12,4	-26,7	3,0	9,6
Accounts payable turnover period, days	29,1	30,2	22,0	26,1	30,7	1,6	5,5	4,7	17,9
Duration of the financial cycle, days	17,5	16,7	12,3	5,1	3,4	-14,0	-80,5	-1,7	-32,6

Source: conducted by the author based on the Balance Sheet of the enterprise

In 2014-2018, there was a 0.5-day decrease in inventory turnover and a 13-day decrease in receivables, which was largely driven by an increase in revenues from

logistics services. It should also be noted that the duration of inventory turnover is negligible and is only 1.6 days. This is due to the fact that PJSC DHL International Ukraine does not require significant reserves due to the specific nature of its activity. The company stocks are mainly fuel and lubricants.

It is worth noting the tendency to reduce the duration of the financial cycle of the enterprise, which is caused by an increase in the level of swiftness of repayment of accounts payable.

Thus, in 2014-2018, the company's net income increased by 353883 thousand UAH, and in 2017-2018 - by 44633 thousand UAH or 7.7%. Revenue growth was accompanied by an increase in cost. However, the increase in cost at its pace was lower compared to the growth of net income, which led to positive dynamics of gross profit - in 2014-2018 this figure increased by 69816 thousand UAH, and in 2017-2018 - by 14585 thousand UAH or by 17.1%. The net profit of the enterprise increased in 2014-2018 by 19801 thousand UAH, and in 2017-2018 - by 9940 thousand UAH or 50.7%. The value of the profitability indicators for the provision of logistics services in 2014-2016 tended to decrease. Thus, if in 2014 the level of profitability of services rendered 3.6%, in 2016 - 2.3%. This trend may be explained by the consequences of the financial crisis. However, in 2017-2018, the level of profitability of services has resumed an upward trend. This was due to a significant increase in transportation revenues at relatively low rates of increase in hryvnia equivalent. The analysis of solvency and financial sustainability indicators shows that the financial condition of the enterprise is generally satisfactory. During 2016-2018 it was possible to observe a tendency to increase the level of business activity of the enterprise.

## **1.2 Analysis of foreign economic activity of PJSC "DHL International Ukraine"**

DHL is part of the world's leading logistics company Deutsche Post DHL Group and comprises the following business units: DHL Paket, DHL Express, DHL Global Forwarding, DHL Freight, and DHL Supply Chain.

Deutsche Post DHL Group operates in over 220 countries and territories worldwide, making it the most international company in the world. With a workforce exceeding 510,000 employees company are uniquely positioned in the world's growth markets to offer a comprehensive range of international express, freight transportation, e-commerce and supply chain management services.

In the Express division, company transport urgent documents and goods reliably and on time from door to door. Global network spans more than 220 countries and territories in which some 100,000 employees provide services to 2.6 million customers[4].

PJSC "DHL International Ukraine" is a part of a worldwide DHL Express division that is located in Ukraine with main office in Kyiv. The company has 38 offices in Ukraine and a private fleet. PJSC DHL International Ukraine is a leader in international express delivery in Ukraine and has its own Boeing 757 aircraft for daily flights between Kiev and the largest DHL Express hub in Leipzig. The charter flight, now operated by this aircraft, allows to deliver cargo to major business centers around the world the very next day. Branded in corporate colors, the DHL Boeing 757 has unique technical characteristics and fully meets the requirements for DHL Express cargo transportation in terms of reliability, fuel consumption and load capacity. This cargo vessel is also characterized by low fuel consumption, harmful emissions, noise and cost. The aircraft accommodates and is ready to carry up to 45 tons of cargo daily, which allows to maintain the quality of service provided and the efficiency of air transportation of the company at the highest level.

It is a rather interesting fact that after the end of life and disposal of old DHL aircraft make luggage tags.

PJSC "DHL International Ukraine" offers worldwide services in 220 countries, including deliveries to countries such as Iraq, Afghanistan, and Myanmar (formerly Burma), Cuba, Lybia and even North Korea. However, there are strict codes for delivering to North Korea, as the country has many internal and external restrictions [5].

Today PJSC "DHL International Ukraine" does not serve only 2 countries. It is Iran and Tajikistan. After sanctions were put on Iran the number of delivery went down.

Therefore, it does not pay off to deliver to Iran for DHL company and also due to worsening military situation in the country DHL local office in Iran has been closed at the beginning of 2019. In June 2017, the communications service under the Government of Tajikistan indefinitely banned the activities of international companies providing postal services with DHL and other international delivery companies [6]. It is also necessary to take into account that DHL was the most popular postal service in the country.

DHL Express delivers packages to all countries of the world thanks to established logistics centers around the world. The company has several sorting centers through which the cargo of the PJSC "DHL International Ukraine" is sorted

- ✓ the European hub is in Leipzig, Germany,
- ✓ the Asian hubs in Hong Kong and Singapore,
- ✓ the American hub in Cincinnati, USA.

Organization of export operations of the studied enterprise is an integral part of its operating activities. It envisages the export of enterprise services to markets of different countries of the world. According to the Charter the enterprise must independently carry out foreign economic activity in accordance with the legislation of Ukraine.

Foreign economic activity of PJSC DHL International Ukraine is carried out on the basis of the following standards:

- the order of registration of enterprises, associations, production cooperatives and other organizations engaged in foreign trade operations;
- the Law of Ukraine "On Foreign Economic Activity", organizational and legal issues;
- basic provisions of private international law in terms of the organization and implementation of trading operations, substantive rules of international sales;
- legislation governing the customs rules for the import and export of goods;
- provisions on the procedure for licensing operations in foreign economic relations;
- anti-dumping legislation;

- rules of insurance of cargoes of foreign trade;
- order of conclusion, change, execution and termination of economic contracts for export operations, conditions of validity.

PJSC DHL International Ukraine conducts the following foreign economic activities:

- export;
- import;
- transportation within the country.

PJSC DHL International Ukraine has separate units to control and secure the import, export and transit of cargo. The main products of the company are following:

- international express transportation;
- express transportation in Ukraine;
- transportation by cars.

PJSC DHL International Ukraine offers exporting to more than 220 countries and territories worldwide - within the EU and USA delivery on the next working day.

The main export products are following:

- ✓ “DHL EXPRESS 9:00/10:30” - it is door-to-door delivery before 9:00 a.m. and 10:30 a.m.
- ✓ “DHL EXPRESS 12:00” - it is door-to-door delivery before 12:00 noon.
- ✓ “DHL EXPRESS WORLDWIDE” – it is door-to-door delivery before close of business day.
- ✓ “DHL EXPRESS ENVELOPE” – it is door-to-door delivery of non-dutiable shipments up to 300 g.

PJSC DHL International Ukraine importing from 220 countries and territories worldwide with flexible pick ups and reliable delivery.

The main import products of PJSC DHL International Ukraine:

- ✓ “DHL EXPRESS” 9:00, 12:00 - it is delivery of imports from anywhere in the world before 9 a.m. or before 12:00 p.m.

- ✓ “DHL EXPRESS WORLDWIDE” – it is delivery of imports from anywhere in the world by close of business.
- ✓ “DHL ECONOMY SELECT” - it is door-to-door delivery of imports from Europe - even for higher-weight shipments on pallets.

The main domestic products of PJSC DHL International Ukraine:

- ✓ “DHL EXPRESS DOMESTIC 9:00, 10:00, 12:00” – it is nationwide Delivery by 9:00 a.m., 10:00 a.m. or 12:00 noon on the next working day.
- ✓ “DHL EXPRESS DOMESTIC” it is door-to-door delivery throughout Ukraine on the next working day.

The optional export and import services of PJSC DHL International Ukraine:

- Saturday delivery.
- Duties and taxes paid. As an additional service, the consignee or consignor or payer could pay all import taxes and duties for receiver in another country.
- Insurance (for shipments with particularly valuable contents, shipper can choose additional transport insurance against loss or damage).
- Export declaration service (upon request, the employee of company will prepare the export declaration (export accompanying document) with the electronic export procedure).
- Extended liability (financial security for loss of document shipments. In the event of loss, the customer receives a EUR 400 refund regardless of the shipment value)[7].

It is important to look at the specific foreign activities of the enterprise. The main aspect of the enterprises is the export of products. Exports for the whole and by regional and factory structure were analyzed for this purpose.

The summary export indicators of PJSC DHL International Ukraine's exploratory exports are shown in Appendix D. Based on the data given in the appendix, the revenue from international express transportation in 2018 increased by UAH 274797,4 thousand comparing with 2014, on 148337 for express transportation in Ukraine and on 37439.7 for road transportation. Speaking about the volume of service, international express

transportation increased by almost 6% compared to 2014, however, express transportation in Ukraine and road transport decreased by 4% and 1.5% respectively.

According to Table 1.8, the cost of production includes: services of international delivery network, road haulage in Ukraine, wages, rent of industrial premises and utilities. The largest share is occupied by international transportation, but this product for 2018 made up almost 66% of all production.

Table 1.8

Dynamics on the cost of sales of PJSC DHL International Ukraine for 2014-2018

№	Cost structure	Percentage of total cost of sales (%)				
		2014	2015	2016	2017	2018
1	International delivery network services	60.3	63.5	64	64	64,1
2	Trucking in Ukraine	14,40	15,5	15	17	18
3	Wages	13,80	15,9	15	13	13
4	Industrial premises rental and utilities	6,90	5,1	6	6	6

Source: conducted by the author based on the information provided by the company

Due to the main aspect of the enterprises is the export of products it is important to calculate export efficiency of the company. According to the results in Table 1.9, the company's export efficiency is increasing with each year. Comparing 2018 and 2014, the indicator increased by 0.14 points.

Table 1.9

Dynamics of PJSC DHL International Ukraine export efficiency, in 2014-2018

Indicator	2014	2015	2016	2017	2018
Net income from exports, thousands UAH	187927,6	250313	326071,9	404402,6	435645,7

Cost of export, thousands UAH	-464596	-569596	-699973	-784015	-813842
Efficiency of export	1,4	1,44	1,47	1,52	1,54

Source: conducted by the author based on the information provided by the company

According to the global dimension, DHL holds the largest market share in Asian and European countries (49% and 44% respectively) in 2018 year(Fig. 1.3).

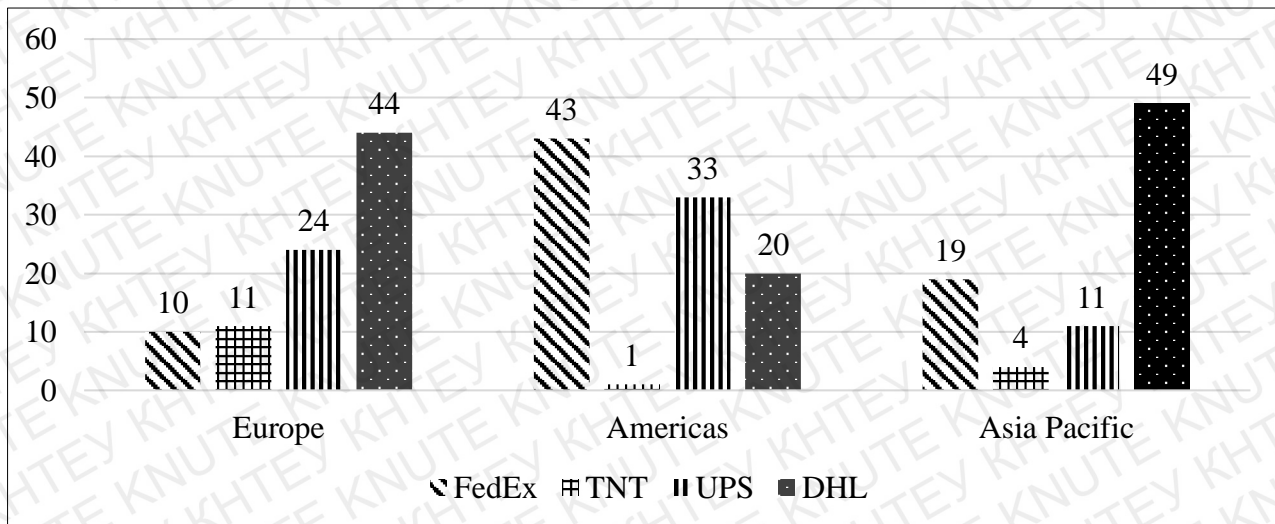


Fig. 1.3 Share of coverage of regions of the world by world's largest logistics companies, 2018[8]

In more detail, it is important to examine the geographical structure of exports of enterprise services. Fig. 1.4 shows that Asian region countries have the largest share of exports (42%). In second place is the European region with a share of 30%. It should be noted that exports to the US account for only 15% of total exports. The MENA (Middle East and North Africa) countries account for only 10% of total exports, and the United Arab Emirates is the undisputed leader among these countries[9].



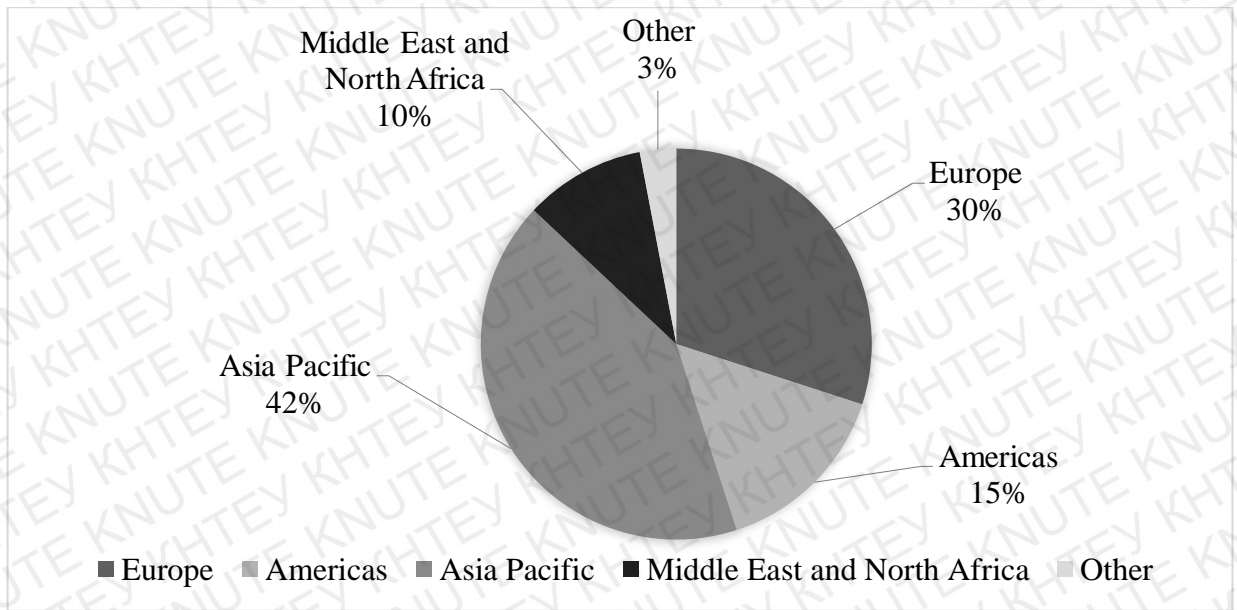


Fig. 1.4. Geographical structure of export of PJSC "DHL International Ukraine" in 2018, % [9]

It is worth mentioning that most Asian companies have a contract with DHL Express to cooperate, so they choose PJSC “DHL International Ukraine” when exporting or importing products with Ukraine [9]. In the Asian region most parcels were shipped to China - 57% in 2018 as to the Fig.1.5.

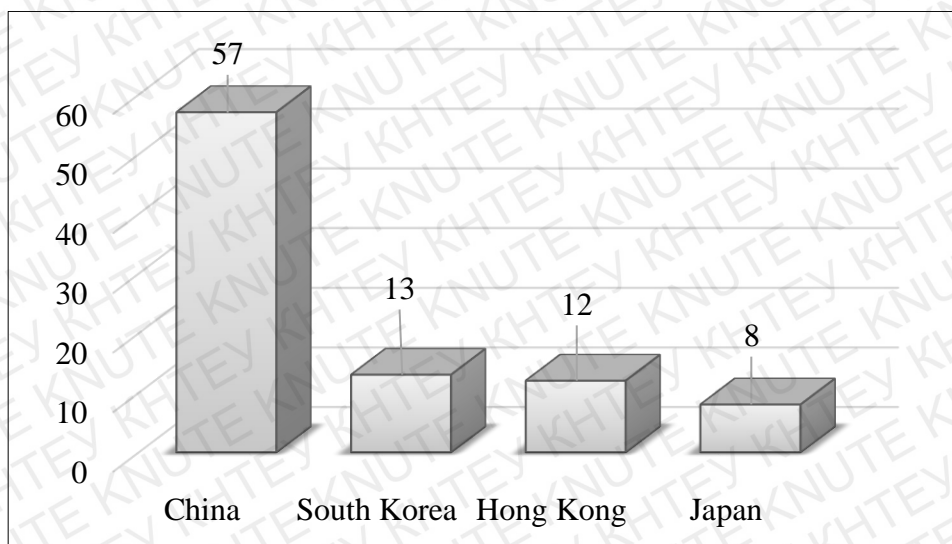


Fig. 1.5. Geographical structure of export of PJSC "DHL International Ukraine" to the Asian region in 2018, % [9]

Since 2014, Ukraine has changed the vector of export of goods from the CIS countries to the countries of the European Union. Comparing exports of goods and services to Russia in 2013 and 2018, this share decreased by 47%. Comparing exports of

goods and services to European countries in 2013 and 2018, this share increased by 17% [10].

DHL International Ukraine PJSC focuses on express air cargo delivery, delivering parcels and documents to European countries in 1 business day. Most Ukrainian companies focused on exporting their products therefore often send samples and documents to European countries. So the volume of transportation to EU countries is clearly growing. About 75% of European countries use the services of Deutsche Post Corporation (38). Therefore, in cooperation with Ukraine they choose PJSC "DHL International Ukraine" which quickly and reliably picks up the cargo from the consignor and the next working day already delivers the shipment to the address of the consignee.

Considering the European region, most parcels and documents are shipped to Germany (40%), Poland (23%), Cyprus, the Netherlands and England (Fig.1.6).

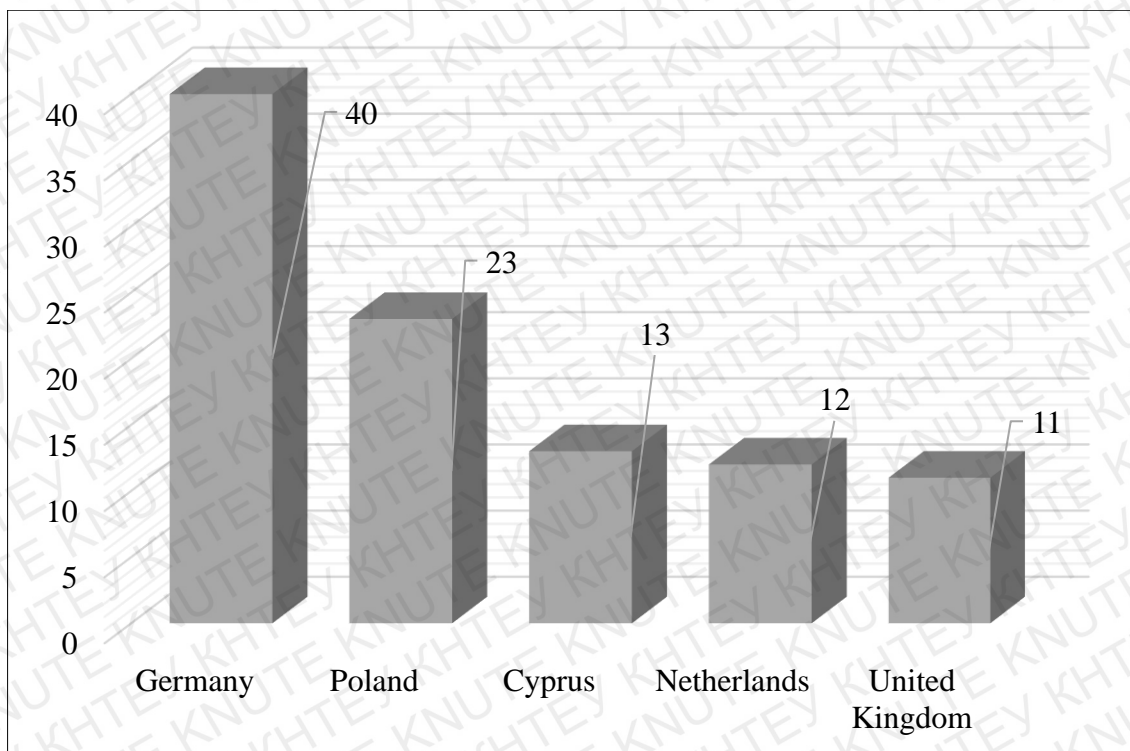


Fig.1.6 Geographic structure of export of PJSC "DHL International Ukraine" to the European region in 2018, % [9]

It should be noted that exports to the Russian Federation account for only 1% of total exports. By 2014, the country's share was more than 25% of total exports (Figure 1.7).

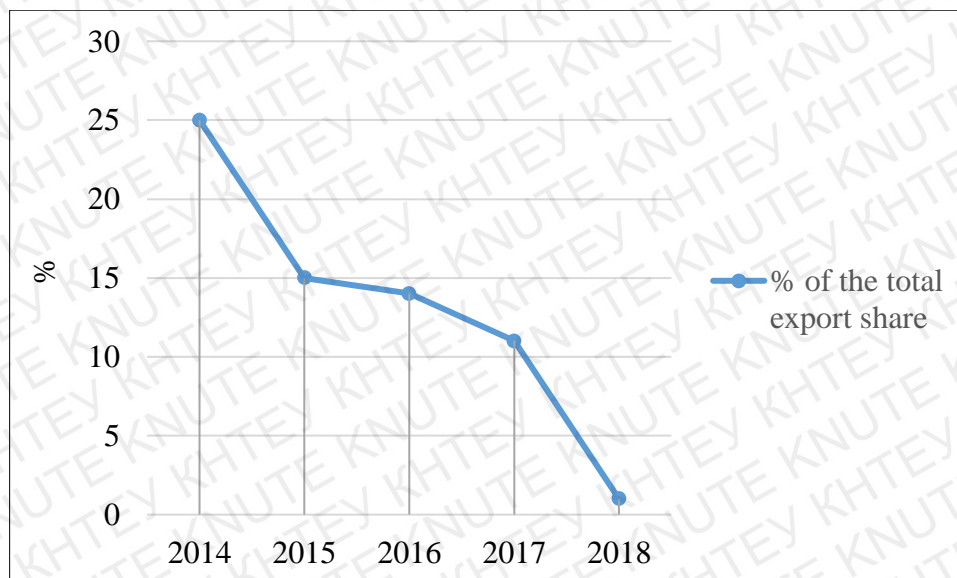


Fig. 1.7 Export structure of PJSC DHL International Ukraine to the Russian Federation in 2014-2018, % [9]

The main reason was the Decree of the President of the Russian Federation of 22.10.2018 № 592 "On the application of special economic measures in connection with the unfriendly actions of Ukraine against citizens and legal entities of the Russian Federation" Resolution of October 22, 2018 №592 [11]. The resolution, and subsequent amendments, referred to a ban on the import of a significant list of goods to Russia from Ukraine. Of course, reducing such a large share of the market has affected company performance, but by increasing the volume of transportation to other countries, PJSC DHL International Ukraine has been able to maintain high effectiveness level.

The downside is that the company is dependent on some countries, especially China and Germany. Any fluctuations in demand, changes in legislation in these countries, as the emergence of a new major competitor can significantly affect the operations of PJSC DHL International Ukraine.

### 1.3 Evaluation of the competitiveness of PJSC "DHL International Ukraine"

Assessment of the competitiveness of PJSC DHL International Ukraine in the external provides the definition of the main indicators characterizing the results of

international transport and logistics operations in the direction of increasing competitiveness. The process of assessing the competitiveness of PJSC DHL International Ukraine provides comparative characteristics of the main competitors of the studied enterprise according to a number of criteria that characterize the companies' work in the market of transport and logistics services.

DHL International Ukraine PJSC since 2017 has introduced a new position within the enterprise where the responsible person has contact with potential clients-companies (who have previously consulted) and to conduct surveys about their impressions of the company, as well as to evaluate it in ten a point scale. One of the main issues is getting information about which carrier company the customer is using. At the professional level, the employee tries to identify the basic needs of the client, the main competitors.

Let's compare the main competitors of PJSC DHL International Ukraine with each other (Table 1.10)

Table 1.10

**Characteristics of competitors of PJSC DHL International Ukraine  
on the world market**

Competitiveness options	Companies are international carriers				
	Nova Poshta International	Kuehne + Nagel	TNT Express	FedEx	DHL
Rating of logistics companies-carriers (1-5 places within the given 5 competitors)*	5place	4place	3 place	2place	1 place
Net income in 2018, thousand UAH	185,6	312,4	285,1	458,4	622,3
Duration of work in the market, years	4	27	26	14	28
<b>Types of services provided by international carriers:</b>					
- direct delivery of goods from point to point	+	+	+	+	+
- cargo escort with the freight forwarder	+	+	+	+	+
- possibility of clearing / clearing (brokerage services)	+	+	+	+	+
- cargo insurance	-	+	-	+	+
- possibility of intermodal transportation of goods	-	+	+	+	+
- availability of own distribution warehouses	+	+	+	+	+

- possibility of additional cargo on the route	-	+	-	-	-
- availability of customer support service	+	+	+	+	+
- delivery within 1-2 business days	-	-	-	-	+

\*Source: information is collected and provided by the company based on a customer survey

Note: Competitiveness criteria are defined based on the data of the work of company-carriers

To assess the competitiveness of the international carrier DHL International Ukraine, it is necessary to compare the ratings and qualitative performance of this company with similar indicators of competing companies. To this end, it is necessary to characterize the formation of criteria for the competitive status of companies on the basis of a point score. To do this, the data in table 1.10 were used. The results of the evaluation of each indicator should be as follows:

- in the presence of an appropriate criterion put 1;
- in the absence of an appropriate criterion, set 0[12].

The results of competitors' evaluation are given in Table. 1.11. From the results of the calculations, the research enterprise of PJSC DHL International Ukraine received a weighted overall estimate of 0.81 points. At the same time, this estimate is the highest among all competing companies in the market of international transportation, which deliver cargo in express export-import operations, as well as operations on transit of goods during international transportation.

Table 1.11

Score rating of competing companies of PJSC DHL International Ukraine

Competitiveness options	The criterion significance factor	Score in points				
		Nova Poshta International	Kuehne + Nagel	TNT Express	FedEx	DHL
- direct delivery of goods from point to point	0,14	1	1	1	1	1
- cargo escort with the freight forwarder	0,08	1	1	1	1	1
- possibility of clearing / clearing (brokerage)	0,13	1	1	1	1	1

services)						
- cargo insurance	0,1	0	1	0	1	1
- possibility of intermodal transportation of goods	0,1	0	1	1	1	1
- availability of own distribution warehouses	0,11	1	1	1	1	1
- possibility of additional cargo on the route	0,08	0	1	0	0	0
- availability of customer support service	0,12	1	1	1	1	1
- delivery within 1-2 business days	0,14	0	0	0	0	1
Total points (weighted score)	1,00	0,47	0,75	0,57	0,67	0,81

Note: Competitiveness criteria are defined based on the data of the work of company-carriers

It is worth noting that two international carriers - Kuehne + Nagel and FedEx - rank second in the competitiveness rating. These two competitors are large logistics companies with long experience in the international shipping market since the early 2000s.

For further analysis of competitiveness, it is necessary to analyze the competitive profile of the listed companies. Let's analyze the main strategic groups of competitors and determine their competitive profile. To this end, it is advisable to take two key indicators that characterize the activities of competing companies - the volume of revenue and the evaluation of the ratio of "price-quality" transport services. The first indicator was taken from the financial statements of PJSC DHL International Ukraine, as well as from the insider information of competitors' employees. The price-quality indicator is purely expert; its assessment was performed by the commercial director of PJSC DHL International Ukraine.

The map of competitors' strategic groups is shown in Fig. 1.8.

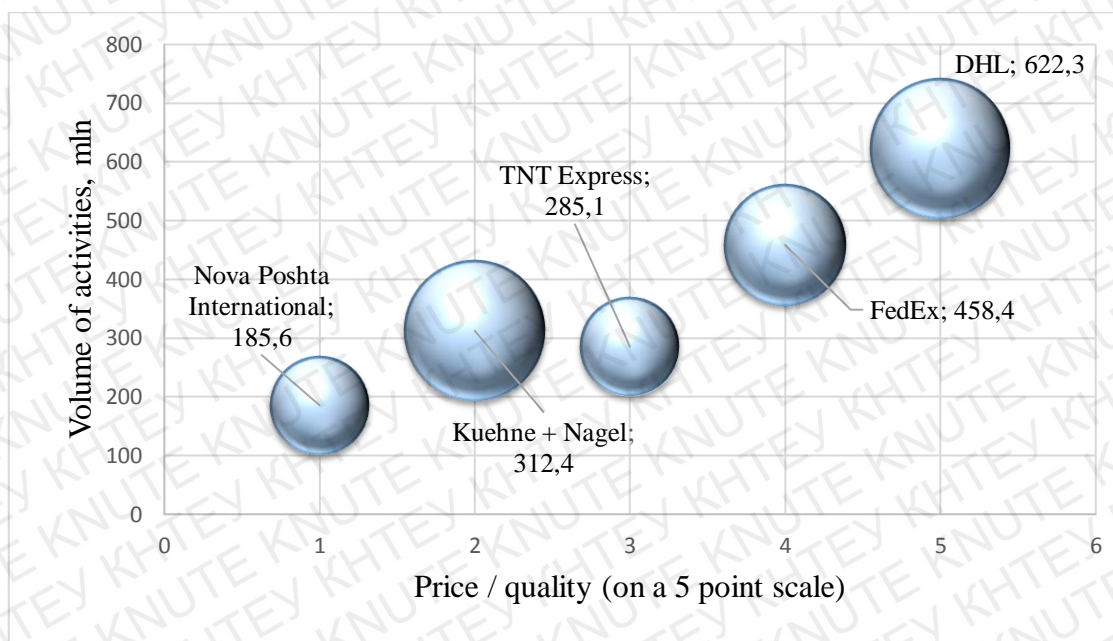


Fig. 1.8. Map of competitors' strategic groups by volume and price / quality ratio

From the shown in Fig. 1.8. it is possible to conclude that the main competitors of PJSC DHL International Ukraine have a comparatively lower level of price / quality ratio, except for Kuehne + Nagel, which operates in the same market segment and has fairly large volumes of transportation. Due to the effect of scale (savings on fixed costs in the case of increased transportation volumes and longer transportation times), the competing companies of PJSC DHL International Ukraine and Kuehne + Nagel are able to reduce the cost of logistics services in the international transportation market by 10-15% with other companies, which gives them a significant competitive edge.

The analysis of strategic groups of competitors by such parameters as the level of transportation costs and the range of logistics services was also carried out (Fig. 1.9).

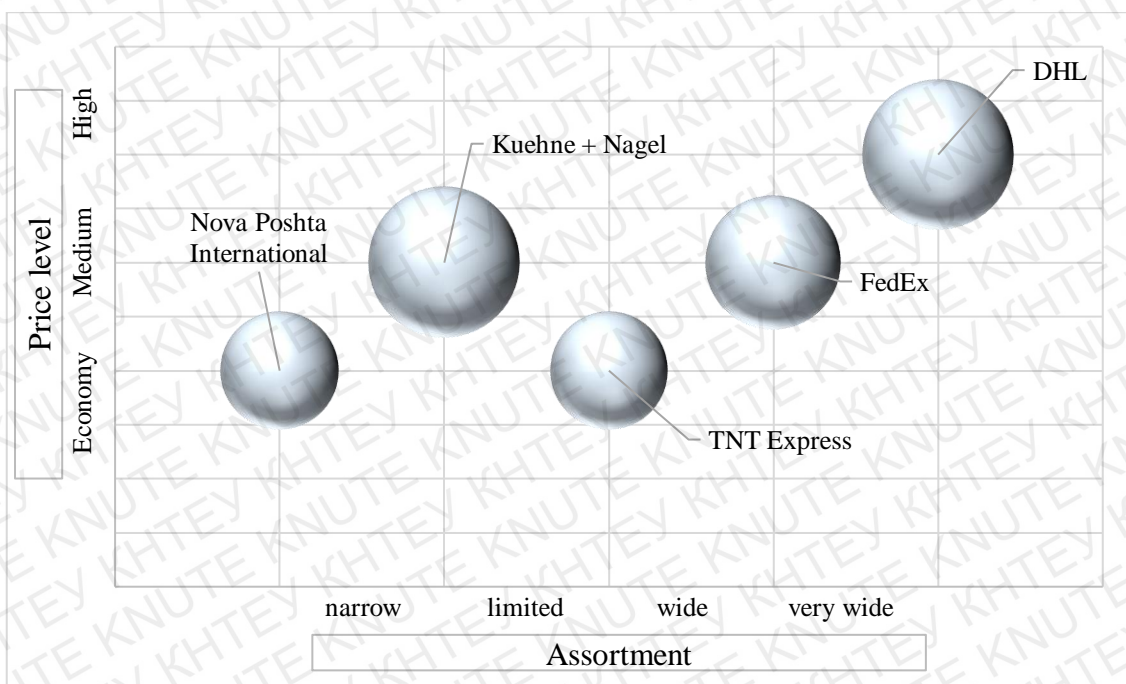


Fig. 1.9. Map of strategic groups of competitors by parameters of the range of logistics services and price level

According to the results of the assessment, PJSC DHL International Ukraine, Kuehne + Nagel and FedEx are the leaders in the range of parameters - prices among all competitors. Kuehne + Nagel is positioned in several transportation segments, including the break-based transportation segment. This means that by having warehouse logistics warehouses, the company can carry out the dismantling of the cargo and its recompilation and further sending to customers in different directions. This approach allows customers to save significantly on the cost of transportation, since they do not need to hire a separate delivery machine from abroad, for example, several pallets of cargo. The Kuehne + Nagel break-banking System allows the customer to pay for the delivery in proportion to the load. DHL Ukraine recommends standard packing dimensions for transportation by air to anywhere in the world. This allows the listed companies to have the highest level of competitive potential compared to other carriers. At the same time PJSC DHL International Ukraine is a leader among competitors.

Each of the indicators of the enterprise depends on many different factors. Carefully examining the influence of factors on the value of the economic indicator, the most accurate result of the analysis and assessment of the quality of activity of the



enterprise will be obtained. Therefore, one of the most important methodological issues in the analysis of economic activity is the study and measurement of the impact of various factors on the value of the studied economic indicators. Without a comprehensive and in-depth analysis of factors, it is impossible to come to a valid conclusion about the performance, it is impossible to identify production reserves, but, accordingly, to justify management decisions [13, p. 18].

In this section, it is necessary to evaluate the environment, which affects the performance of the enterprise. To this end, it is proposed to analyze the influence of environmental factors on the operation of the enterprise using STEEPLE analysis and correlation-regression analysis methods.

To assess the external environment, one must first pay attention to the macro-influence factors, which include political, legal, economic, demographic, socio-ethical, environmental and technological. The characteristics of the matrix of STEEPLE analysis of the influence of political and legal factors on the economic activity of PJSC DHL International Ukraine are given in AppendixC.

Describing the influence of political factors, it should be noted that the key ones are the dynamics of the political situation development, the risks of exacerbation of conflicts in the East, and the decline of Ukraine's support in the foreign policy arena. In today's context, the political situation in Ukraine is volatile in the long run, and there are certain trends towards its stabilization. However, there are still significant risks of escalating conflicts in the East. The worsening influence of political factors is also exacerbated by the lack of signals for reconciliation by the authorities of the occupied territories and Russia. The last year has seen a marked decline in Ukraine's support in the foreign policy arena. On the part of the world community, Ukraine is gradually losing interest.

The key legal factors are the legal framework for regulating the market for transport services and the regulatory framework for counteracting attacks on business. The formation of legislative support is ambiguous in terms of influencing the activities of PJSC DHL International Ukraine. The company is constantly adjusting to its changes. A positive consequence of reforming national legislation in relation to logistics

services is reforming customs and simplifying customs procedures. In particular, the increase in the speed of passage by the operators of the market of international transportation of customs procedures at the points of customs clearance of cargo is forecast.

In 2014-2015, the company experienced a number of raiding attacks on its business, including pressure on the company's office. Therefore, a significant positive element in the reform of Ukraine's legal system at the present stage is to strengthen the fight against raiding. In June 2019, some changes were made to the legislation regarding the activity of state registrars, which complicates raider attacks on business. In particular, in September 2018, the Ministry of Justice of Ukraine introduced restrictions on the actions of state registrars [14]. Also, in the near future, it is planned to implement measures to automate notification of actions of state registrars [15].

Macroeconomic factors include such parameters as exchange rates, inflation, market pricing, and the cost of credit in the economy. The strengthening of the national currency exchange rate has a positive effect on the ability to plan activities, reducing losses from exchange differences. Exchange rate trends have a positive effect on inflation. Inflationary processes have stabilized over the last 3 years. Domestic operators in the market of transport services have prospects in the improvement of pricing, especially in the segment of international transportation. On the plus side, the decline in the NBU discount rate for the first half of 2019 contributes to the decline in the cost of loans in the economy. Reducing the cost of credit has a positive impact on planning for the development and expansion of logistics services. It will also increase the volume of international transport to the markets of CIS countries.

The results of the assessment of the impact of social, technological, moral, ethical and environmental factors of the macro environment on the economic activity of PJSC DHL International Ukraine are given in AppendixC.

Social (demographic) factors are expressed by trends such as population decline and urbanization. The decline in population in general has a negative impact on the formation of potential demand. In Ukraine among a number of regions, including for those located in the East and West of Ukraine, in 2016-2018, there was a significant

outflow of the active part of the labor force, which is the demographic basis for the formation of demand in the market of goods, and, as a consequence, the demand for delivery logistics services.

The technological factors are represented by the technologies of providing logistics services. Modern logistics technologies imply an increase in requirements for market operators. PJSC DHL International Ukraine has implemented modern logistic infrastructure technologies and uses a quality transport park.

Therefore, the level of competitiveness of PJSC DHL International Ukraine was analyzed in this matter. This company is a leader among other competitors-carriers. The surveyed enterprise of PJSC DHL International Ukraine has received a weighted overall estimate of 0.81 points. At the same time, this estimate is the highest among all competing companies in the market of international transportation, which deliver cargo in export-import operations, as well as operations in transit of goods during international transportation. The main competitive advantage of the company is express delivery with the possibility of delivery to anywhere in the world, regardless of the route and picking. However, the conducted competitive analysis also revealed a number of weaknesses that do not allow the investigated enterprise to develop more actively, namely: the tendency to decrease the price / quality ratio of the rendered services as the company provides express services and has its own fleet in Ukraine, which significantly increases the cost transportation compared to other companies; other competitors are also beginning to expand their range of services, which creates competitive threats for DHL International Ukraine. This requires the development of a set of measures to improve the competitiveness of the studied enterprise.

Thus, the impact of the external environment on the activities of PJSC DHL International Ukraine was analyzed in this matter. In particular, it is worth noting a certain negative impact of the factors of the political and legal environment, which is determined by the imperfection and opacity of working conditions in Ukraine for international logistics operators. The negative impact on the demand for logistics services also exacerbates the demographic situation. The technological factors are represented by the technologies of providing logistics services. Modern logistics

technologies imply an increase in requirements for market operators. The enterprise of PJSC DHL International Ukraine has implemented modern technologies of logistic infrastructure and uses a quality transport park.

### **Conclusions to section 1**

DHL has been operating in Ukraine since 1991 and is one of the recognized leaders in the Ukrainian express delivery and logistics market. Today it is one of the largest and professionally equipped fast delivery networks in the country.

DHL's net income increased in 2014-2018 by 353883 thousand UAH, and in 2017-2018 by 44633 thousand UAH or 7.7%. Revenue growth was accompanied by an increase in cost. Despite the fall (in 2017-2018), the level of profitability of services has resumed an upward trend. This was due to a significant increase in transportation revenues at relatively low rates of increase in hryvnia equivalent.

The analysis of solvency and financial sustainability indicators shows that the financial condition of the enterprise is generally satisfactory. During 2016-2018 it was possible to observe a tendency to increase the level of business activity of the enterprise.

DHL International Ukraine PJSC operates in more than 220 countries and territories around the world, making it the most internationally owned company in the world. DHL International Ukraine offers services worldwide in 220 countries, including shipments to countries such as Iraq, Afghanistan and Myanmar (formerly Burma), Cuba, Libya and even North Korea. Today, DHL does not serve only 2 countries. This is Iran and Tajikistan.

The main products of the company are:

- international express transportation
- express transportation in Ukraine
- transportation by cars.

The company's revenue is growing steadily despite the difficult economic situation in Ukraine and minimizing cooperation with Russia. In 2018, international express transportation increased revenue by UAH 274797,4 thousand. Comparing with

2014, it was 148337 for express transportation in Ukraine and 37439.7 for road transportation.

Evaluating export performance of a company, it also improves its performance every year. Comparing 2018 and 2014, the performance indicator increased by 0.14 points.

When studying the geographical structure of the enterprise, it was found that in the regional context the largest share in exports is made by Asian countries (42%). In second place is the European region with a share of 30%. In the Asian market, China (57%) is the largest importer of products from Ukraine, and Germany (40%) in the European market.

In the period from 2014 to 2018, the Russian Federation's share in the export of goods decreased significantly. The figure fell from 25% of total exports to 1%. Such changes were due to restrictions imposed by Russia on the import of goods from Ukraine.

The competitiveness of DHL International Ukraine JSC was also analyzed. This company is a leader among other competitors-carriers. The main competitive advantage of the company is express delivery with the possibility of delivery to anywhere in the world, regardless of the route and picking.

However, the conducted competitive analysis also revealed a number of weaknesses that do not allow the investigated enterprise to develop more actively, namely: the tendency to decrease the price / quality ratio of the rendered services as the company provides express services and has its own fleet in Ukraine, which significantly increases the cost transportation compared to other companies; other competitors are also beginning to expand their range of services, which creates competitive threats for DHL International Ukraine.

Regarding the factors of influence on the activity of the company, it is worth noting a certain negative influence of the factors of the political and legal environment, which is determined by the imperfection and opacity of working conditions in Ukraine for international logistics operators. The negative impact on the demand for logistics services also exacerbates the demographic situation. The technological factors are

represented by the technologies of providing logistics services. Modern logistics technologies imply an increase in requirements for market operators. DHL International Ukraine PJSC has implemented modern logistic infrastructure technologies and uses a quality transport park.

## SECTION 2.

### **JUSTIFICATION OF WAYS OF INCREASING PJSC "DHL INTERNATIONAL UKRAINE" COMPETITIVENESS ON THE INTERNATIONAL MARKET**

#### **2.1 Substantiation of proposals for increasing the competitiveness of services of PJSC "DHL International Ukraine"**

In modern conditions, logistics has become an integral part of the business strategy, especially for organizations or industries focusing on the international market. The globalization of the economy has caused fierce competition among businesses for placements and placements. In addition, trading conditions suggest new and rapid changes. The merger of enterprises and the intensive development of information and communication systems only exacerbate these processes. In such circumstances, it is logistics that builds the interaction between organizations and enhances their economic efficiency. This is due to the increasing role of logistics services in today's world market. Therefore, in recent years, the growth rates of logistics services, characteristic of developed countries, have become apparent in almost all countries involved in the world trade in goods and services. Moreover, logistics has become a catalyst for the progress of globalization [16].

Experts consider the postal and courier services segment to be the most promising in the next 2-3 years, which is connected with the further development of e-commerce, penetration of broadband Internet in urban and rural settlements, growth of household income, growth of business activity in the segment<sup>2</sup>. Increasing competition in the small postal parcel delivery segment is pushing market operators to constantly expand the list of accompanying delivery services and, accordingly, to turn them into complex logistics intermediaries [17].

The substantiation of directions of increase of competitiveness for the investigated enterprise implies, increase of its competitive strategy in the market of international transportations. To do this, it is necessary to start by defining a vision, that is, what the company should be in a few years. In order to realize this step, it is

necessary to take into account all the results of the conducted analysis of the FEA of the enterprise, its financial and economic activity and peculiarities of the formation of competitive potential, including the main prospects and trends of development of the international transportation market in the next 5 years. Therefore, in view of this, it could be distinguishing the following facts, which must be taken into account when forming a vision (Fig. 2.1).

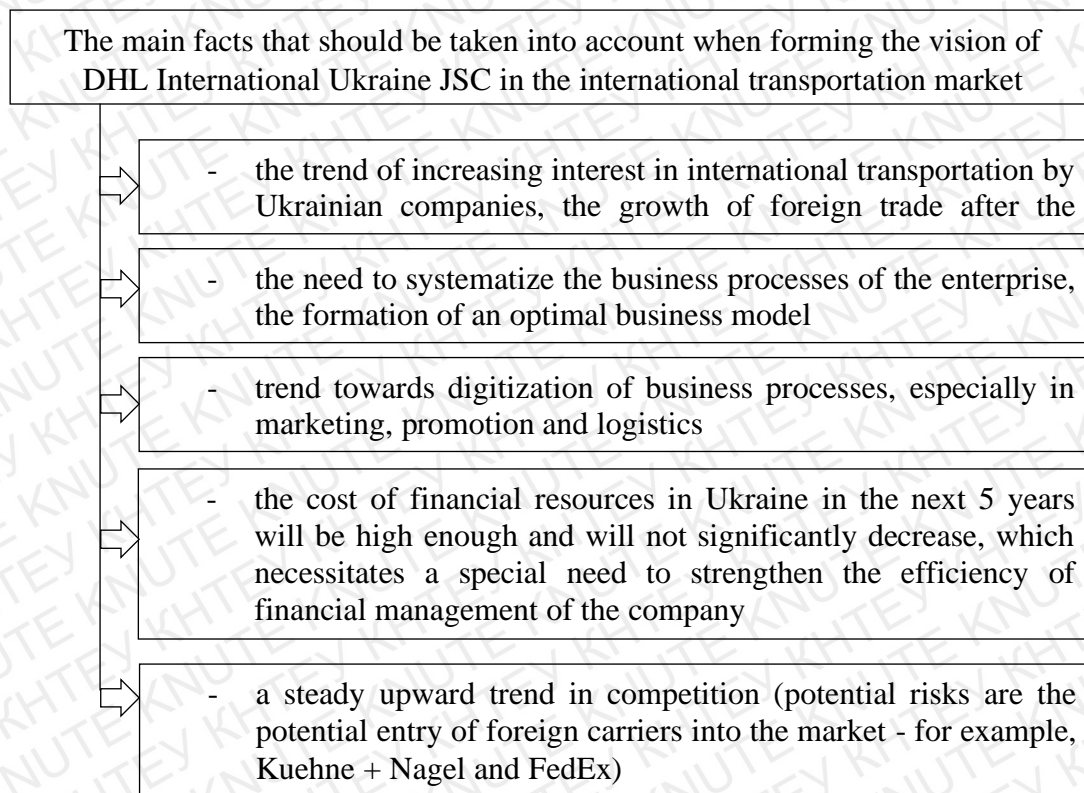


Fig. 2.1. The main facts that should be taken into account in the formation of the vision of PJSC DHL International Ukraine

The facts presented, as well as the analysis carried out in section 1, give evidence for some of the difficulties and global challenges facing the management of PJSC DHL International Ukraine. Numerous risks create some obstacles to a clear assessment of the possible benchmarks for enhancing a company's competitive potential. However, the lack of definite steps in strengthening the competitive status can lead to a reduction in the volume of activity of the enterprise, as it will face threats that it will not be prepared for. Therefore, based on the above facts, it can be formulated the following vision of PJSC DHL International Ukraine (after 1, 3 and 5 years) (Table 2.1):





Table 2.1

**Characteristics of the vision of PJSC DHL International in the international transport services market**

Strategic planning time horizon	Description of the vision
1 year	Business processes at the enterprise are well-maintained, financial discipline is regulated (including operational analytics and cash flow management), clear developmental KPI are formed, as a result - costs are optimized (including payroll)
2-3 years	The marketing system of the company was reformatted into a flexible format, business processes in the field of sales, logistics and promotion were digitized, the range of logistics services was systematized in full accordance with the needs of the transport services market
5 years	The company is expanding to cover different segments of the international transportation market, expanding the coverage of services in the territory of Ukraine, increasing its volume of activities, actively entering the market in countries still inaccessible to international transport companies (f.e. Tajikistan)

Source: conducted by the author.

Based on the stated vision of the company, it is possible to form a certain system of values that should be guided in the process of enhancing competitiveness. For this purpose, it is worth highlighting the following groups of values, the implementation of which should be guided in the first place:

- high quality standards of transport services;
- customer orientation;
- staff motivation for the final result;
- openness to cooperation;
- practical approach to solving difficult situations;
- commitment to the ideas of the company.

Based on the vision and the defined goals of development of directions of competitiveness enhancements, it is necessary to form an updated mission within the framework of our proposed new competitive strategy:

- ✓ meeting the needs of customers in quality logistics services,
- ✓ ensuring the commitment of customers to the brand of the company,

- ✓ increasing market share and competitive position in the international transport services market.

Based on the above above-mentioned provisions, it is necessary to formulate the main goals and objectives of increasing competitive potential for PJSC DHL International Ukraine. It is worth noting that it is advisable to first create a system of competitive positioning goals in accordance with the specific activity of the investigated enterprise. To formulate goals for competitive positioning in the enterprise, it is advisable to use the "tree of goals" approach. It is suggested to develop a hierarchy of goals in the process of forming a competitive accelerated growth strategy by decomposition. The process of formulating strategic goals using the proposed method can be summarized as a table. 2.2.

Table 2.2

**Determination of competitive positioning goals using the decompression method  
at the enterprise of PJSC DHL International Ukraine**

№	Stage of formulating the goals of a competitive “ strategy	Responsible for the stage	Possible results
1	Formation of higher level goals	- Company Director, - Chief Financial Officer, - Commercial Director	Increase in activity and financial results
2	Decomposing top-level goals and setting lower-level goals	- Chief Operating Officer, - Logistics Director, - Commercial Director	- expansion of the range of logistics services; - promotion of the express delivery product within the territory of Ukraine; - development of a mobile application for cargo tracking and convenient delivery management; - introduction of a more flexible system of picking up and delivery; - implementation of the controlling system; - digitization of promotion of logistics services in the foreign market.
3	Definition of specific tasks of competitive development within the divisions of company	- Middle Management (Heads of Departments)	-Development of tasks schedules; - monitoring of tasks fulfillment; - staff motivation

Source: conducted by the author.

Represented in Table. 2.2 the goals of competitive positioning and the corresponding tasks to increase the level of competitiveness of the enterprise make it possible to adequately assess the problems and opportunities of the enterprise. Despite the scale of DHL and the possibility of express delivery abroad in 1-2 business days, delivery in Ukraine is not so fast. The company needs to expand its delivery service in Ukraine, to open more service points, and to introduce effective advertising in Ukraine, in order to promote the brand.

Particularly important is the introduction of a controlling system. Controlling system is a fundamentally necessary concept of information and management, which can be defined as an accounting and analytical system that implements synthesis of elements of accounting, analysis, control, planning, provides both operational and strategic management of the processes of achievement of goals [18].

The emergence of controlling at DHL is due to the following reasons:

- increasing environmental instability puts additional demands on the enterprise management system: attention is focused on the control of past events to predict the future;
- the need to accelerate the response of the company to changes in the environment, increase its flexibility;
- the need for constant monitoring of changes occurring in the external and internal environment of the enterprise;
- the need for a thoughtful system of action to ensure the survival of the enterprise and avoid crises (for example, a very significant reduction in the share of cooperation with Russia, due to legal restrictions);
- the complexity of enterprise management systems requires a mechanism of coordination within the management system;
- the need to build a special information management system.

The main obstacles in the development of the logistics market are seen in the absence of state policy and state strategy, which affects the conditions of logistic business and the possibility of realizing the logistics potential of the country.

International companies believe that the most imperfect legislation (22%), poor infrastructure quality (22%), and corruption (20%) are holding back the development of the market. Ukrainian companies named corruption (23%), legislation (23%), infrastructure (16%), customs procedures (16%). It is necessary to attract serious investments in the development of roads, terminals, logistics centers, vehicles and more. Among the factors that can greatly influence the work of companies, experts highlight the implementation of EU legal acts and regulations, as well as national laws and regulations. On the one hand, this will help to improve the quality of logistics in all areas, and on the other hand, there will be a significant shortage of resources (such as Euro 3 and above) during the transition period, which can lead to an increase in the cost of many processes.

While global forces are driving trade barriers and overcoming national borders, a more prudent national economic policy is needed to develop its own productive forces, stimulate the production of goods and services for domestic consumption, and enhance the competitiveness of national economy sectors. The sophisticated logistics architecture means that long-term value-added, trade and investment gains are only possible through strong business process integration that delivers high-tech output / product.

It is a comprehensive look at modern logistics architecture to avoid distortions in the development of its individual components. The crushed state of the components of the logistics system, characteristic of modern Ukraine (significant territorial and structural disparities in the location and development of logistics infrastructure, underdevelopment / inconsistency of the logistics services market structure to modern needs, insufficient use of logistical management principles in the implementation of transit potential) potential [19].

## **2.2 Development of the range of measures to improve the competitiveness of PJSC "DHL International Ukraine"**

According to the proposals for increasing the competitiveness of the enterprise section 2.1, it is possible to form an appropriate program of competitive development, which can be presented as a hierarchy of areas for strengthening the competitive status and individual tasks that will enable these areas to be implemented (Table 2.3).

Table 2.3

The hierarchy of directions and tasks of increasing the competitiveness of PJSC DHL International Ukraine

№	Directions	Higher level tasks	Task of lower level
1	Growth of market share of the enterprise	1.1 Improvement of the sales system in small cities	1.1.1 Optimization of logistics in the regions of Ukraine
		1.2 Improvement of the marketing communications complex	1.1.2 Optimization of sales channels
2	Increased efficiency	2.1 Improvement of the model of business processes, their digitization	1.1.3 Optimization of sales promotion tools
		2.2 Enhancing financial and economic efficiency	1.2.2 Improvement of Advertising Tools
3	Enhancing the image of the market	3.1 Improving Branding Policy	1.2.3 Implementation of innovative means of communication
		3.2 Improvement of the marketing communications management system	2.1.1 Implementation of analytical automated system

Source: conducted by the author.

The next step in improving competitiveness is choosing a competitive strategy. Above it was stipulated that the company will try to implement the type of accelerated growth strategy. However, in order to accomplish the tasks outlined above and to choose the best instruments for achieving the competitive development goals, it is necessary to justify the choice of an appropriate development strategy (operational strategy), which is part and basis of achievement of the goals of the competitive strategy. For this purpose, it is necessary to carry out preliminary strategic analysis and diagnostics of the development of PJSC DHL International Ukraine, which involves studying the factors of the internal and external environment of the enterprise. It should be noted that this analysis has already been carried out in section 1 and in question 2.1.

Based on the results of the analysis, the following general conclusions can be drawn regarding the possibilities of forming a competitive strategy for accelerated growth of PJSC DHL International Ukraine:

- diversification of types of logistic services and development of new innovative services that are in line with the trend of the international transport market (in particular, introducing the possibility of longer delivery of goods in different countries using a more economical delivery system, the possibility of using online services to pay for logistics services);

- expanding the boundaries of market activity - entering new markets, including expansion of direct delivery service in the Asian market;

- DHL brand promotion in the US compared to FedEx's main competitor;

- expansion of marketing influence through the introduction of innovative digital marketing tools;

- Implementation of the 5-PL system level, ie Virtual Logistics, is the application of the global IT space using a high-tech IT product. The 5PL provider is an advanced 4PL layer.

PJSC DHL International Ukraine is one of the few companies in Ukraine that is representative of the 4PL operator model. The high consumer inclination to purchase replacement services (that is, other suppliers) and a wide range of services from which to choose one's own service package encourage logistics companies to choose 4PL operator models.

In general, it is worth emphasizing that it is proposed to focus on PJSC DHL International Ukraine to implement a competitive strategy of accelerated growth with elements of differentiation, as it will enable the realization of relevant competitive advantages and achieve the planned goals of increasing the efficiency of the company, provide prerequisites for expanding the business and, respectively, the strengthening of long-term competitive status in the international transport market. Currently, there is a low level of competition in this segment, but on the other hand, there are high requirements for the level of competence and availability of IT products. Such an operator should have the right strategy in place, have the necessary experience in

managing the processes throughout the supply chain, and have the trust of the client company. The main purpose of logistics integration in the use of 4PL is to simplify the relationship between the client and the contractors and the implementation of information technology in order to comprehensively optimize the logistics chain. The logistics operator:

- administers information flows from customer to suppliers and back;
- integrates the IT systems of counterparties in the supply chain: defines the interface, provides standardized electronic data exchange and data integration in the IT systems of companies;
- forms an analytical and statistical support center for logistics solutions;
- provides monitoring and coordination of traffic flows;
- coordinates the customs clearance in the logistics chain;
- is the manager of the quality system of all processes, u22 incl. information, forecasting.

As there are several logistics companies in the Ukrainian market positioning themselves as 4PL operators, DHL International Ukraine PJSC has the opportunity to become unique and enter the next level of the 5-PL system. This model is at the top of the pyramid. The scientific literature outlines the general outline of such a logistics intermediary. Companies specializing in the development and implementation of information and communication technologies in the practice of entrepreneurship, identify the 5PL-provider as the only virtual platform for the complete range of logistics tasks. Other firms consider it to be an online logistics system, that is, planning, executing, and controlling the movement of goods through electronic media [20].

The type of competitive strategy for the studied enterprise is difficult to determine because the strategic management process in the company is poorly structured; any strategic benchmarks are determined purely by the leader and often they are changed, and not implemented. For the enterprise under study, several strategies could be selected. In order to strengthen the company's competitive position in the international transportation market, it is possible graphically depict the transition of the company from the current level of competitive positioning to a new format, which will help



achieve all the goals set and fulfill the above goals. A McKinsey Growth Pyramid was formed for this purpose(Fig. 2.2).

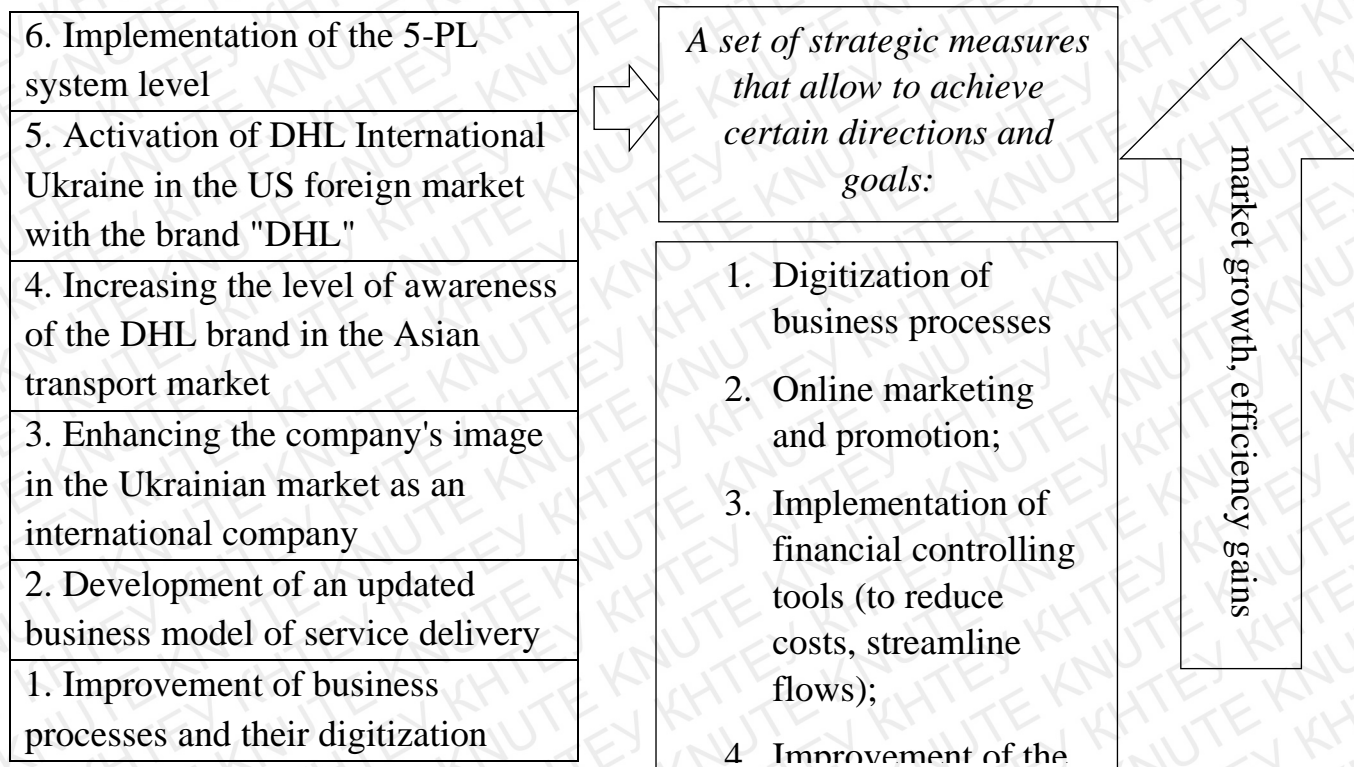


Fig. 2.2. Development strategy development of PJSC DHL International Ukraine in the international markets based on McKinsey Growth Pyramid

The next step is to develop a balanced business development model. To this end, a program of competitive development measures is being developed, aimed at achieving the goals of the selected competitive growth strategy. For this purpose, it is possible to form an action program, which can be presented in the form of a Gantt chart (Appendix E).

One of the methods of project planning and management is the Gantt chart. A well-known type of bar chart used to reproduce a plan, a work schedule for any project is called a Gantt chart. This organizational resource is often created using a computer program, although many project managers are familiar with the form of paper

submission. Applying this chart helps to accurately build a project schedule of any size, and can help with most general planning tasks.

In today's context, the Gantt chart demonstrates a de facto standard in project management theory and practice, at least to depict the structure of a project work list. The segments are placed on a horizontal timeline and this is the Gantt chart. Each segment on the scale is responsible for a specific project, task or task. Vertically, there are projects, tasks, tasks, and components of the plan. On a timeline, the beginning, end, and length of a segment are equal to the beginning, end, and duration of the task. Some Gantt charts show the dependence among the tasks [21].

For this purpose, the implementation of a program of measures to increase the level of competitiveness within the chosen competitive strategy provides for a duration of 80 days during 1-2 quarters of 2020. Some measures will be implemented consistently. In order to implement the measures, it is proposed to create a project group consisting of a company leader and heads of units responsible for specific tasks. The overall budget for the implementation of the proposed measures was set at 980 thousand UAH.

Therefore, in this matter the measures of increase of competitiveness of the enterprise of PJSC "DHL International Ukraine" were substantiated, which should include the following:

- 1) increase of the market share of the enterprise provided by improvement of the system of sale of logistic services and complex of their promotion;
- 2) increasing the efficiency of the enterprise as a whole and optimizing its individual business processes;
- 3) enhancement of the image of the enterprise in the international transportation market, which is ensured by the improvement of the branding policy, the improvement of the system of management of communications with clients.

Based on the results of the study, the following general conclusions can be drawn regarding the feasibility of implementing an updated competitive strategy for accelerated growth with differentiation elements for PJSC DHL International Ukraine: diversification of types of logistics services and introduction of innovation elements;

expanding the boundaries of market activity, promoting the DHL brand in the US market; expanding communications through the introduction of their innovative tools (a modern site with integrations with Google search analytics, CPM) and implementation of the 5-PL system level.

### **2.3 Forecast evaluation of the effectiveness of the proposed actions for PJSC "DHL International Ukraine"**

It is advisable to use the method of correlation-regression analysis and charting of trend lines in order to fulfill the forecast of activity of PJSC DHL International Ukraine and determine the impact of the proposed ways of increasing the efficiency of export operations at the enterprise. There is an objective need to perform correlation-regression analysis as one of the most effective economic and statistical methods for identifying the influence of the most significant factors on the resulting trait and constructing an adequate mathematical model. The large number of variable factors necessitates the use of multiple methods of correlation-regression analysis, which allows us to identify the most statistically significant factors and to evaluate the relationship between them and the resultant trait, which is given as a certain numerical expression. Thus, only one indicator of the efficiency of export activity is already a significant statistical population, which without the use of appropriate economic-mathematical methods and software complexes will lead to the probability of obtaining not only erroneous results, but also an inadequate mathematical model.

The final qualification work examines the impact of export volumes on the enterprise's net income. To determine the nature of the dependence and, accordingly, construct the equation, it is advisable to use a graphical method of comparing the series of data (Table 2.4).

Table 2.4

The types of the trend dependencies received

Type	The equation of trend dependency	R Square
Linear Trendline	$64953x + 126014$	0,985

Polynomial Trendline	$y = -4265,2x^2 + 2E+07x - 2E+10$	0,991
Logarithmic Trendline	$y = 1E+08\ln(x) - 1E+09$	0,9851
Exponential Trendline	$y = 2E-184e^{0,2161x}$	0,9639

Source: estimated by the author.

As per the figure 2.3., the polynomial dependence on the trend in the best way and with the closest approximation to the real data shows the dependence of the net export income for the period 2014-2018 on PJSC DHL International Ukraine. R Square has the highest index precisely when plotting the polynomial moment and it tends to +1. Since the coefficient is close to 1, then the conditional dispersion of the model is quite low and it is very likely that the model describes the data quite well (Fig. 2.3).

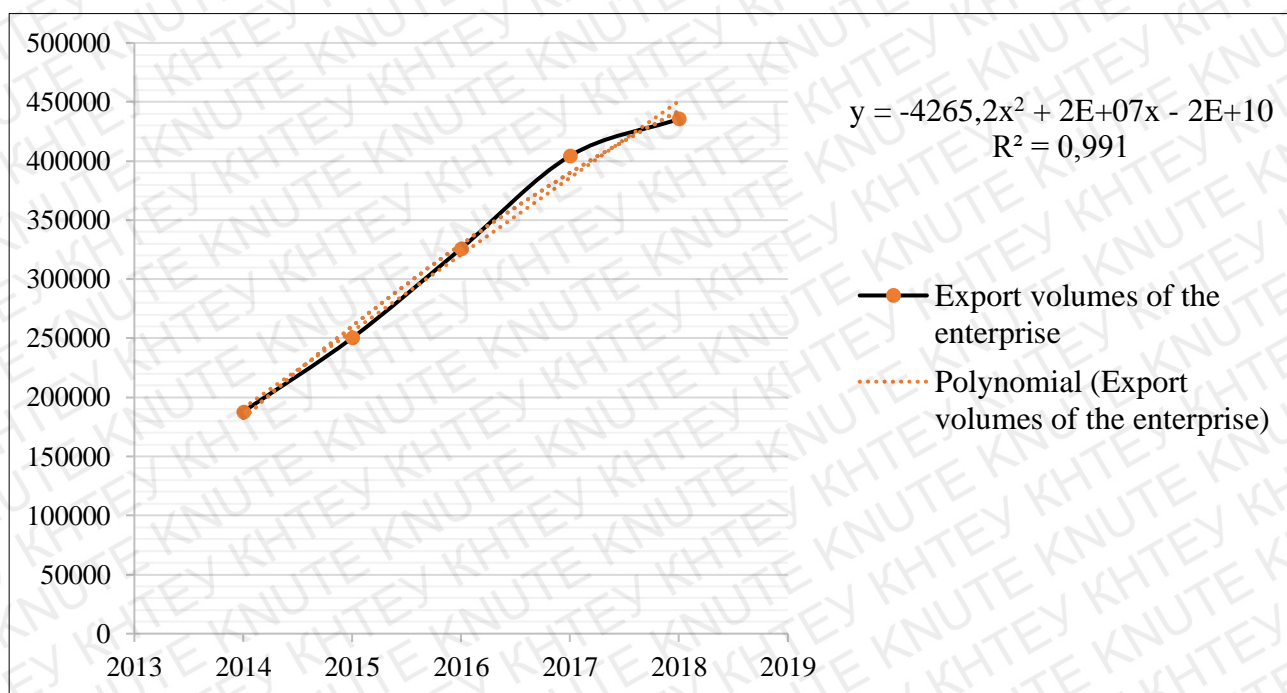


Fig. 2.3. The polynomial trend line dependence between exports and net income of PJSC DHL International Ukraine

Regarding the determination coefficient R Square of the obtained correlation regression model R Square is equal 0,991. Hence the dependence of the products sold volume is due to the selected factor values on 99,1%. The remaining 0.9% is due to

other factors that affect net income but are not included in the regression model (Fig 2.3).

Having made a forecast for the next four years, namely for 2019 - 2022, it can be argued that the positive dynamics of export operations is observed in the forecast years. Compliance with these indicators of economic activity of PJSC DHL International Ukraine has the potential to grow even in the face of crisis economic phenomena in the domestic market (Fig. 2.4).

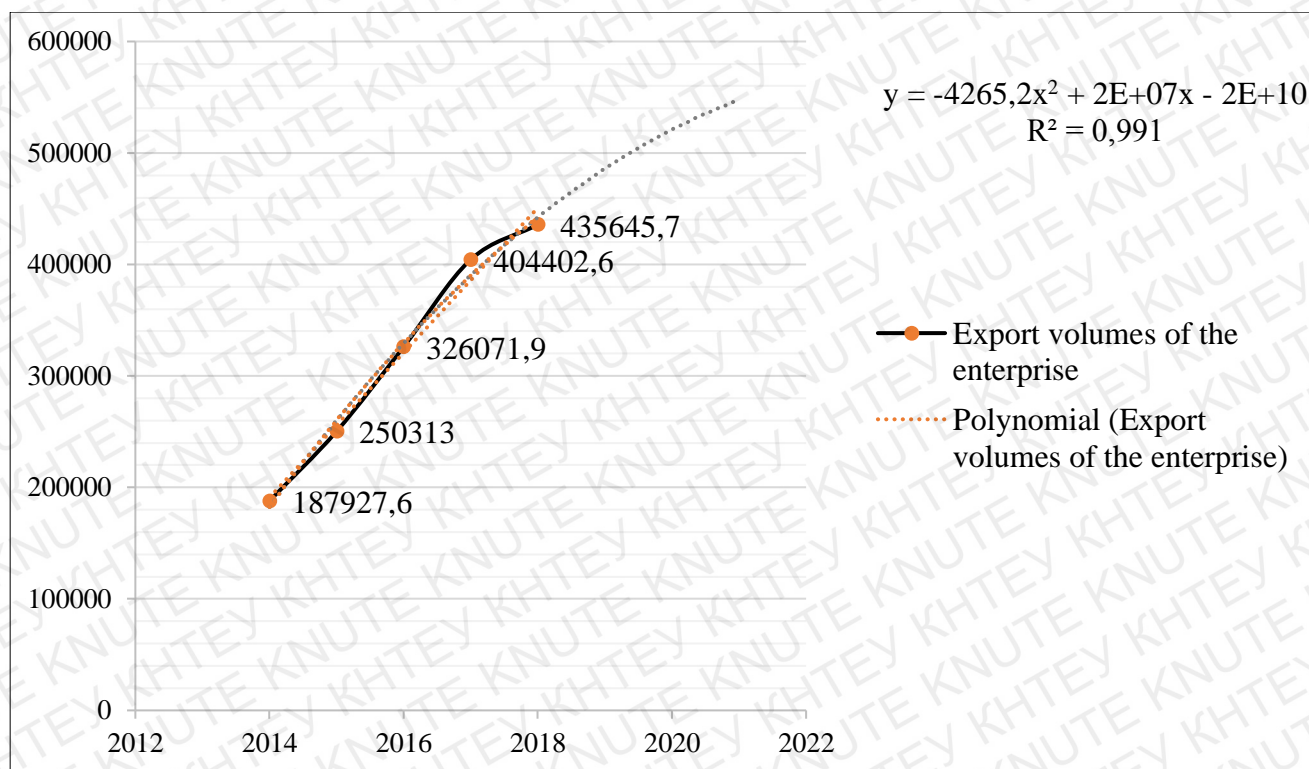


Figure 2.4. The polynomial trendline dependence between exports and net income of PJSC DHL International Ukraine for 2019 - 2022 years

As the close relationship between export volume of services and net income has been shown, it can be confirmed that the increase in export efficiency will positively affect the profitability of DHL International Ukraine.

It is also important to evaluate how the proposed measures will affect the performance of the project, if implemented. Therefore, the economic effect of the proposed measures should be measured in quantitative terms, it is appropriate to determine the degree of impact of each event on the income of the enterprise and the amount of expenses incurred.

To calculate financial indicators, the information on the relative indicators of economic and financial activity in the reporting period of PJSC DHL International Ukraine for 2014 – 2018 given in Appendix F was used. According to the application, the average value of the cost of sales is 0.860. The ratio of other operating income to other operating expenses is 2,424. The growth rate of other operating income 1,092 with the growth rate of financial expenses is 1,633.

Forecast of operating expenses, incl. administrative costs, sales costs are made using the economic-statistical method (extrapolation of the level of operating expenses of the reporting period to the forecast) [17].

$$\overline{P_{OE}} = \frac{\sum(AC)}{\sum \text{Revenue}} \quad (2.1)$$

$$\overline{PSC} = \frac{\sum(SC)}{\sum \text{Revenue}} \quad (2.2)$$

where: AC - administrative costs; SC - sales costs;

The forecast of the financial result before tax is made using the method of direct calculation [17]:

$$\begin{aligned} \text{FR}_{\text{beforeTax}} = & \text{GR} - \text{cost of production} - \text{AC} - \text{SC} - \text{OOE} + \\ & + \text{OOI} + \text{FI} + \text{IO} - \text{FE} - \text{COO} \end{aligned} \quad (2.3)$$

where: Net profit =  $\text{FR}_{\text{beforeTax}} * (1 - \text{income tax rate, in parts})$ ,

OOE - other operating expenses;

OOI - other operating income;

FI - financial income;

IO - income from other operations;

FE - financial expenses;

COO - costs from other operations.

There are indicators such as other income, financial expenses and other expenses are the result of non-operating activities and are influenced by factors that cannot be predicted. Therefore, the figures for the planning period should be adopted at the level of 2018.

The forecast of the net financial result (profit) in each forecast period is made by determining the financial result from ordinary activities before taxation and reducing its result by the amount of income tax (income tax rate from 01.01.2019 - 18% before tax).

It should be noted that according to the expert estimation of the possible growth of revenues in the planned period, the prospective forecast will exceed the retrospective one.

The results of the calculations show that the volume of transport and logistics services provided with the implementation of competitiveness measures should increase by at least 15%, and the budget expenditures for improving the management of competitiveness of logistics services will amount to 980 thousand UAH in 2020-2021. annually. The net financial result of the enterprise, taking into account the implementation of measures to improve competitiveness management, will be UAH 36352 thousand. in 2020 and UAH 41974 thousand in 2021.

The results of forecasting the financial results without taking into account the implementation of the proposed measures and with their implementation are given in Table 2.5.

Table 2.5

Forecast of the financial results of PJSC DHL International Ukraine  
for 2019-2021

Indicator	Fact, thousand UAH	Forecast without taking into account the implementation of the proposed measures, thousand UAH			Forecast on the implementation of the proposed measures, thousand UAH		
		2018	2019	2020	2021	2019	2020
1	2	3	4	5	6	7	8
Net revenue from the provision of transport and logistical services for the carriage of goods	622351	744095	889654	1063687	744095	1023102	1223241
Cost of transportation and logistics services for freight transportation	522381	640114	765333	915047	640114	880133	1052304
Gross profit	99970	103980	124321	148641	103980	142969	170937
Other operating income	12172	13289	14507	15838	13289	14507	15838
Administrative expenses	33862	47792	57141	68319	47792	57141	68319

Selling expenses	35013	39216	46887	56059	39216	46887	56059
Other operating expenses	6896,3	5482	5985	6534	5482	5985	6534
Budget for the costs of implementing the proposed measures	-	-	-	-	0	980	980

Continuation of Table 2.5

Financial result from operating activities	36371	24779	28815	33566	24779	46483	54882
Other income	808	650	522	420	650	522	420
Financial expenses	652	1064	1738	2837	1064	1738	2837
Losses from participation in capital	502	685	935	1277	685	935	1277
Financial result before tax:	36025	23679	26664	29872	23679	44332	51188
Income tax expense (income)	6485	4262	4800	5377	4262	7980	9214
Net financial result	29541	19416	21864	24495	19416	36352	41974

Source: conducted by the author

In order to determine the extent of the economic impact of the proposed measures, it is necessary to estimate the difference between the net income from the implementation of the proposals and the net profit, determined on the basis of a retrospective forecast (without taking into account the proposals). The results of determining the economic effect are shown in Fig. 2.5.



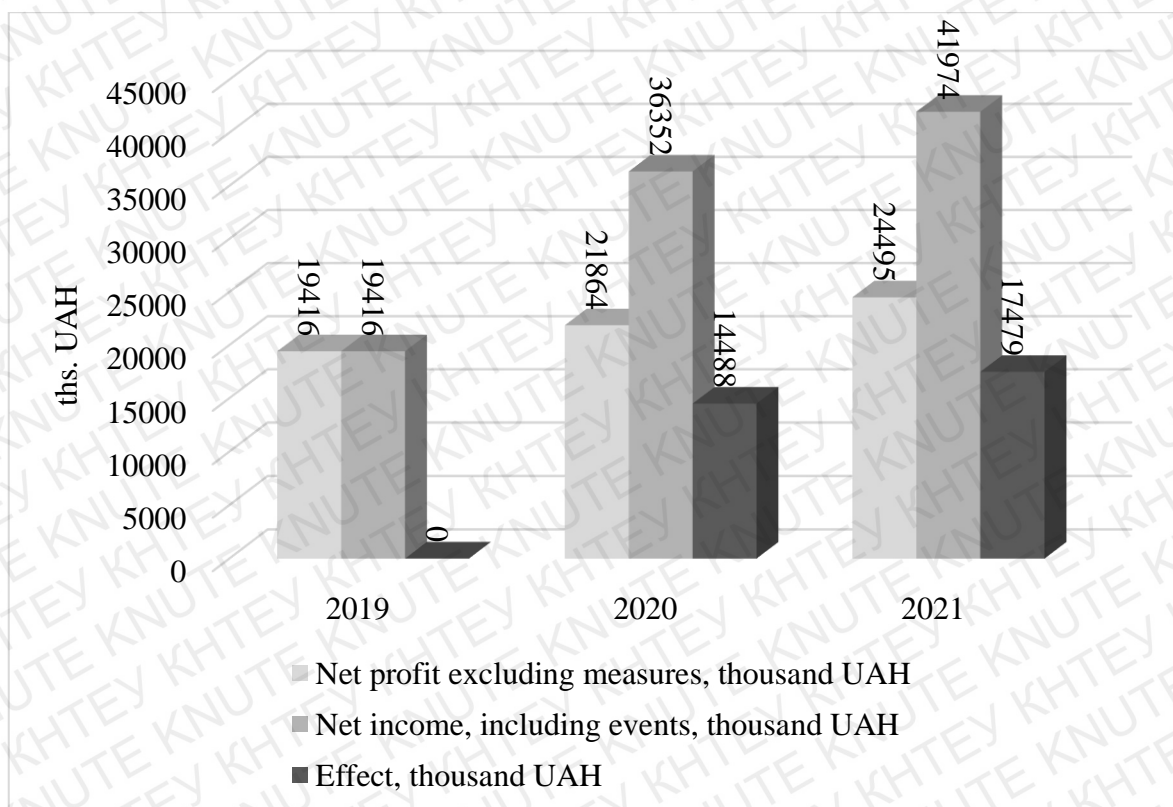


Fig. 2.5. Estimation of the economic impact from the implementation of the proposed measures to improve the competitiveness management of PJSC DHL International Ukraine, thousand UAH

In 2019, no economic effect is expected from the implementation of the activities of PJSC DHL International Ukraine. In 2020, the projected amount of economic effect will be 14488 thousand UAH, in 2021 - 17479 thousand UAH.

Thus, the total cost of improving competitiveness management will amount to UAH 980 thousand in 2020-2021. annually. The net financial result of the enterprise, taking into account the implementation of measures, will be UAH 36352 thousand. in 2020 and UAH 41974 thousand in 2021. In 2020, the projected amount of economic effect will be UAH 14488 thousand. and UAH 17479 thousand in 2021.

## Conclusions to section 2

The competitiveness level of PJSC DHL International Ukraine is analyzed. This company is a leader among other competitors-carriers. The surveyed enterprise of PJSC DHL International Ukraine received a total weighted estimate of 0.87 points. The main

competitive advantage of the company is the ability to deliver flexible delivery with the ability to combine different routes and deliver cargo in the shortest possible time among all competitors.

The measures of increase of competitiveness of the enterprise of PJSC “DHL International Ukraine” are substantiated, which include the following: 1) increase of the market share of the enterprise, which is ensured by the improvement of the system of sales of logistic services and the complex of their promotion; 2) increasing the efficiency of the enterprise as a whole and optimizing its individual business processes; 3) enhancement of the image of the enterprise in the international transportation market, which is ensured by the improvement of the branding policy, the improvement of the system of management of communications with clients.

The measures of increase of competitiveness of the enterprise of PJSC “DHL International Ukraine” are substantiated, which include the following:

1) increase of the market share of the enterprise, which is ensured by the improvement of the system of sales of logistic services and the complex of their promotion;

2) increasing the efficiency of the enterprise as a whole and optimizing its individual business processes;

3) enhancement of the image of the enterprise in the international transportation market, which is ensured by the improvement of the branding policy, the improvement of the system of management of communications with clients.

The final qualification work examines the impact of export volumes on the enterprise's net income. According to the results of correlation-regression analysis correlation regression model R Square is equal 0,991. Hence the dependence of the products sold volume is due to the selected factor values on 99,1%. The remaining 0.9% is due to other factors that affect net income but are not included in the regression model

The total cost of improving the competitiveness management will be 980 thousand UAH in 2020-2021. annually. The net financial result of the enterprise, taking into account the implementation of measures, will be UAH 36352 thousand. in 2020

and UAH 41974 thousand in 2021. In 2020, the projected amount of economic effect will be UAH 14488 thousand, and UAH 17479 thousand in 2021.

## CONCLUSION

Summarizing the results of the study in the first and second sections, the following conclusions can be drawn.

DHL is an international express freight and document delivery company, a leader in the global and Ukrainian logistics markets. The company was founded in Germany in 1969 to transport documents between San Francisco and Honolulu. Currently part of the Deutsche Post DHL Group of Companies.

DHL has been operating in Ukraine since 1991 and is one of the recognized leaders in the Ukrainian express delivery and logistics market. Today it is one of the largest and professionally equipped fast delivery networks in the country. The number of DHL Express Ukraine employees is over 330 professionals. 48 service centers operate throughout the country - serving more than 100 cities and towns in the country.

The research enterprise of DHL International Ukraine JSC specializes in rendering transport and logistics services in the Ukrainian market and in foreign markets.

The net income of the company increased in 2014-2018 by 353883 thousand UAH, ie by 131.8 percent. In 2017-2018, there is an increase of UAH 44633 thousand or 7.7%. Revenue growth was accompanied by an increase in cost. Despite the fall (in 2017-2018), the level of profitability of services has resumed an upward trend. This was due to a significant increase in transportation revenues at relatively low rates of increase in hryvnia equivalent.

Describing the dynamics of the capital structure of PJSC DHL International Ukraine, it should be added that its share is dominated by equity - 42-58%. If in 2014 the share of borrowed capital was 63%, as of 31.12.2018 this share decreased to 42%.

The analysis of solvency and financial sustainability indicators shows that the financial condition of the enterprise is generally satisfactory. During 2016-2018 it was possible to observe a tendency to increase the level of business activity of the enterprise.

DHL International Ukraine offers services worldwide in 220 countries, including shipments to countries such as Iraq, Afghanistan and Myanmar (formerly Burma),

Cuba, Libya and even North Korea. Today, DHL does not serve only 2 countries. This is Iran and Tajikistan.

Due to analyzing the foreign markets of PJSC DHL International Ukraine the following types of foreign economic activity:

- export;
- import;
- transportation within the country

The main products of the company are international express transportation, express transportation in Ukraine, trucking.

Revenue from international express transportation in 2018 increased by UAH 274797,4 thousand. Comparing with 2014, it was 148337 for express transportation in Ukraine and 37439.7 for road transportation.

Considering the main aspect of enterprises is the export of products, it is important to calculate the export efficiency of the company. According to the results in Table 1.9, the company's export performance is increasing every year. Comparing 2018 and 2014, the indicator increased by 0.14.

By region, Asia accounts for the largest share of exports (42%). In second place is the European region with a share of 30%. It should be noted that exports to the US account for only 15% of total exports. It should be noted that exports to the Russian Federation account for only 1% of total exports. By 2014, the country's share was more than 25% of total exports.

Of course, reducing such a large share of the market has affected company performance, but by increasing the volume of transportation to other countries, PJSC DHL International Ukraine has been able to maintain high performance levels.

The downside is that the company is dependent on some countries, especially China and Germany. Any fluctuations in demand, changes in legislation in these countries, as the emergence of a new major competitor can significantly affect the operations of PJSC DHL International Ukraine.

This company is a leader among other competitors-carriers. The surveyed enterprise of DHL International Ukraine JSC received a total weighted estimate of 0.81

points. The main competitors of DHL International Ukraine PJSC have a comparatively lower level of price-quality ratio, except for Kuehne + Nagel, which operates in the same market segment and has a rather large volume of transportation.

The main competitive advantage of the company is express delivery with the possibility of delivery to anywhere in the world, regardless of the route and picking of goods. However, the conducted competitive analysis also revealed a number of weaknesses that do not allow the investigated enterprise to develop more actively, namely: the tendency to decrease the price / quality ratio of the rendered services as the company provides express services and has its own fleet in Ukraine, which significantly increases the cost transportation compared to other companies; other competitors are also beginning to expand their range of services, which creates competitive threats for DHL International Ukraine.

The measures of increase of competitiveness of the enterprise of PJSC “DHL International Ukraine” are substantiated, which include the following: 1) increase of the market share of the enterprise, which is ensured by the improvement of the system of sales of logistic services and the complex of their promotion; 2) increasing the efficiency of the enterprise as a whole and optimizing its individual business processes; 3) enhancement of the image of the enterprise in the international transportation market, which is ensured by the improvement of the branding policy, the improvement of the system of management of communications with clients.

The main obstacles in the development of the logistics market are seen in the absence of state policy and state strategy, which affects the conditions of logistic business and the possibility of realizing the logistics potential of the country.

The measures of increase of competitiveness of the enterprise of PJSC “DHL International Ukraine” are substantiated, which include the following:

1) increase of the market share of the enterprise, which is ensured by the improvement of the system of sales of logistic services and the complex of their promotion;

2) increasing the efficiency of the enterprise as a whole and optimizing its individual business processes;

3) enhancement of the image of the enterprise in the international transportation market, which is ensured by the improvement of the branding policy, the improvement of the system of management of communications with clients;

4) Implementation of the 5-PL system level is the application of the global IT space with the use of a high-tech IT product. The 5PL provider is an advanced 4PL layer. As there are several logistics companies in the Ukrainian market positioning themselves as 4PL operators, DHL International Ukraine PJSC has the opportunity to become unique and enter the next level of the 5-PL system.

The implementation of the program of measures to increase the level of competitiveness within the chosen competitive strategy provides for a duration of 80 days during 1-2 quarters of 2020. Some measures will be implemented consistently.

To fulfill the forecast of the activity of PJSC DHL International Ukraine and to determine the impact of the proposed ways of increasing the efficiency of export operations at the enterprise, the method of correlation-regression analysis and plotting of trend lines was used.

The polynomial dependence on the trend in the best possible way with the closest approximation to the real data shows the dependence of the net export income for the period 2014-2018 at PJSC DHL International Ukraine. The dependence of the volume of sales is due to the selected values of the coefficient of 99.1%. The other 0.9% is related to other factors that affect net income but are not included in the regression model.

The total cost of improving the competitiveness management will be 980 thousand UAH in 2020-2021. annually. The net financial result of the enterprise, taking into account the implementation of measures, will be UAH 36352 thousand. in 2020 and UAH 41974 thousand in 2021. In 2020, the projected amount of economic effect will be UAH 14488 thousand. and UAH 17479 thousand in 2021.

## REFERENCES

1. Aggregated LPI - 2012-2018 / The World Bank Group. - URL: <https://lpi.worldbank.org/international/aggregated-ranking?sort=desc&order=LPI%20Score#datatable>
2. Logistics Market Outlook – 2022 / Allied Market Research: – URL: <https://www.alliedmarketresearch.com/logistics-market>
3. Global Rankings 2018 / The World Bank Group. – URL: <https://lpi.worldbank.org/international/global>
4. DHL and group information – 2018 / Deutsche Post DHL Group – URL: <https://www.dhl.de/en/geschaeftskunden/ueber-uns.html>
5. Company Information 2019 / Deutsche Post DHL Group – URL: <https://web.archive.org/web/20060821192350/http://www.dhl-usa.com/Company/CompanyInfo.asp?nav=companyInfo>
6. DHL suspended in Tajikistan – 2017 / President of the republic of tajikistan – URL: <http://www.president.tj/ru#dusti>
7. Products and services - 2019 / DHL Express // – URL: <https://www.dhl.de/en/geschaeftskunden/express/produkte-und-services/export.html>
8. DPDHL 2018 Annual Report / Deutsche Post DHL Group – URL: <https://annualreport2018.dpdhl.com>
9. Category Intelligence on Courier, Express, and Parcel Services - 218 / Beroe advantage procuremen – URL: <https://www.beroeinc.com/ci-reports/sample/courier-express-parcel-services-market.pdf>
10. Dynamics of the geographical structure of foreign trade in goods / State Statistics Service of Ukraine – URL: [http://www.ukrstat.gov.ua/operativ/operativ2005/zd/zd\\_rik/zd\\_u/g\\_s\\_rik\\_u.html](http://www.ukrstat.gov.ua/operativ/operativ2005/zd/zd_rik/zd_u/g_s_rik_u.html)
11. Decree of the President of the Russian Federation of 22.10.2018 No. 592 "On the application of special economic measures in connection with the unfriendly actions of Ukraine against citizens and legal entities of the Russian Federation" /



Official Internet Portal legal information – URL:  
<http://publication.pravo.gov.ru/Document/View/0001201810220017>

12. Mizina, O. V. Comprehensive approach to assessing the competitiveness of the company: theoretical and practical aspects / A.D. Marchenko, O. V. Mizina // *Ефективна економіка* № 3. - 2017
13. Madryga G. M. Theoretical approaches to the analysis of the factors of influence on the effectiveness of small businesses / G.M. Madryga // *Bulletin of the National university "Lviv Polytechnic"*. - 2012. - № 739: Management and entrepreneurship in Ukraine: stages of formation and development problems. - P. 16–21.
14. The Ministry of Justice has taken an important step in the fight against raiding - URL: – режим доступу: <https://agropolit.com/news/9760-minyust-zrobiv-vajliviy-krok-do-borotbi-iz-reyderstvom>
15. Raid control: a system of notification of change of property owner will appear in Ukraine – URL: <https://landlord.ua/news/borotba-z-reiderstvom-v-ukraini-z-iavytsia-systema-povidomlen-pro-zminu-vlasnyka-maina/>
16. Zhelyabin I.V. Door to door delivery / I.V. Zhelyabin // *Bulletin of transport information*. - 2011. - № 5. - P.21.
17. Popov D.V. Fulfillment - a unique solution for Internet commerce or a direction in logistics? / D.V. Popov // *Logistics today*. - 2014. - No. 6. - P. 378–382.
18. Slivinskaya O.B. Implementation of the controlling system at the enterprises of Ukraine / O.B. Slivinskaya // *Agrosvit* № 11 – 2015. – 16 p.
19. Grygorak M.U. Intellectualization of the logistics services market: concept, methodology, competence: monograph / M.U. Grygorak. - K .: Sik Group Ukraine, 2017. - 513 p.
20. Smerichevskaya S.V. Formation of educational and innovation potential of logistics of national economy: strategic imperatives: monograph / S.V. Smerichevskaya. - Helvetik Publishing House, 2015. - 320 p.

21. Krukevich N.M. Problems of formation of the concept of time management / N.M. Krukevich // Trade, commerce, entrepreneurship. - 2014. - Issue 17. - P. 119–122.
22. Nebava M. I. The theory of macroeconomics: a textbook / M.I. Nebava - K.: publishing house "Slovo", 2005. - 536 p.

## APPENDICES

## APPENDICES A

## Balance Sheet (Statement of Financial Position), 2014 – 2018

Assets	Line code	01.01.2014	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019
1	2	3	4	5	6	7	8
I. Non-current assets							
Intangible assets:	1000	880	741	1001	865	1148	1205
initial value	1001	2188	2061	2346	2543	2963	3111
accumulated depreciation	1002	1308	1320	1345	1678	1815	1906
Incomplete capital investment	1005	188	383	7700	16963	20717	21566
Fixed assets:	1010	20467	24312	31373	48123	64022	66878
initial value	1011	47554	54245	65799	88106	115389	120351
wear and tear	1012	57087	29933	34426	39983	51367	53473
Investment Property:	1015	0	0				
initial value	1016	0	0				
wear and tear	1017	0	0				
Long-term biological assets:	1020	0	0				
initial value	1021	0	0				
accumulated depreciation	1022	0	0				
Long-term financial investments:	1030	0	0				
which are accounted for using the equity method of other entities							
other financial investments	1035	0	0				
Long-term receivables	1040	0	0				
Deferred tax assets	1045	162	125	125			
Goodwill	1050	0	0				
Deferred acquisition costs	1060	0	0				
Balance of funds in centralized insurance reserve funds	1065	0	0				
Other non-current assets	1090	0	0				
Total Section I	1095	21697	25561	40199	65951	85887	89649
II. Current assets							
Stocks	1100	567	799	1127	1188	2239	2347
Inventories	1101	567	0				
Unfinished production	1102	0	0				
Final product	1103	0	0				
Goods	1104	0	0				
Current biological assets	1110	0	0				
Reinsurance deposits	1115	0	0				
Promissory notes received	1120	0	0				

## Continuation of Appendices A

Accounts receivable for products, goods, works, services	1125	22956	45007	45904	40437	55505	57106
Accounts receivable:	1130	11	0				
on advances issued							
with a budget	1135	452	15	1302	1096	191	202
including income tax	1136	452	0	1162			
from accrued income	1140	0	0				
from internal calculations	1145	0	0				
Other current receivables	1155	22	0				
Current financial investments	1160	0	0				
Money and their equivalents	1165	9206	11455	5338	4795	9328	9149
Cash	1166	74	143	124	263	361	422
Bank accounts	1167	7755	10361	4712	3715	8134	8727
Expenses of future periods	1170	0	0				
Reinsurer's share of insurance reserves	1180	0	0				
including in:	1181	0	0				
reserves for long-term liabilities							
loss reserves or reserves of due payments	1182	0	0				
unearned premium reserves	1183	0	0				
other insurance reserves	1184	0	0				
Other current assets	1190	112	68				
Total Section II	1195	33326	57344	53671	47516	68304	68804
III. Non-current assets held for sale and disposal groups	1200	0	0				
Balance	1300	55023	82905	93870	113467	154191	158453
Liability	Код рядка	01.01.2014	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019
I. Equity							
Registered (share) capital	1400	9698	9698	9698	9698	9698	9698
Contributions to unregistered authorized capital	1401	0	0				
Capital in revaluation	1405	0	0				
Additional capital	1410	0	0				
Emission income	1411	0	0				
Accumulated exchange differences	1412	0	0				
Reserve capital	1415	0	0				
Retained earnings (uncovered loss)	1420	33062	42802	52648	63031	82632	82970
Unpaid capital	1425	0	0	( )	( )	( )	( )
Capital withdrawn	1430	0	0	( )	( )	( )	( )

## Continuation of Appendices A

Other reserves	1435	0	0				
Total Section I	1495	42760	52500	62346	72729	92330	92668
II. Long-term commitment and security							
Deferred tax liabilities	1500	0	0				
Pension obligations	1505	0	0				
long-term bank credits	1510	0	0				
Other long-term commitments	1515	0	0				
Long-term security	1520	0	0				
Long-term staff costs	1521	0	0				
Targeted financing	1525	0	0				
Charity	1526	0	0				
Insurance reserves, including:	1530	0	0				
reserve of long-term liabilities; (At the beginning of the reporting period)	1531	0	0				
loss reserve or reserve of due payments; (At the beginning of the reporting period)	1532	0	0				
reserve of unearned premiums; (At the beginning of the reporting period)	1533	0	0				
other insurance reserves; (At the beginning of the reporting period)	1534	0	0				
Investment contracts;	1535	0	0				
Prize Fund	1540	0	0				
Jackpot payout reserve	1545	0	0				
Total Section II	1595	0	0				
III. Ongoing commitments and collateral							
Short-term bank credits	1600	0	0	6123	9702	11591	12015
Promissory notes issued	1605	0	0				
Current accounts payable:	1610	0	0				
for long-term liabilities							
for goods, works, services	1615	10650	27940	23312	26253	45090	44122
on the calculations with the budget	1620	1553	2063	1023	781	2237	2320
including income tax	1621	0	0		778	2237	2320
by insurance calculations	1625	0	0				
on wage calculations	1630	14	16	135			
on advances received	1635	44	385	112	541	588	605
according to the calculations with participants	1640	0	0				

## Continuation of Appendices A

from internal calculations	1645	0	0				
by insurance activity	1650	0	0				
Current security	1660	0	0	484	1887	2260	2354
future revenues	1665	0	0				
Deferred commission income from reinsurers	1670	0	0				
Other current commitments	1690	0	0	335	1574	95	107
Total Section III	1695	12263	30405	31524	40738	61861	61523
IV. Liabilities related to non-current assets held for sale and disposal groups	1700	0	0				
V. Net Asset Value of Non-State Pension Funds	1800	0	0				
Balance	1900	55023	82905	93870	113467	154191	154191

## Continuation of Appendices A

Актив	Код рядка	01.01.2014	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019
1	2	3	4	5	6	7	8
<b>I. Необоротні активи</b>							
Нематеріальні активи:	1000	880	741	1001	865	1148	1205
первісна вартість	1001	2188	2061	2346	2543	2963	3111
накопичена амортизація	1002	1308	1320	1345	1678	1815	1906
Незавершені капітальні інвестиції	1005	188	383	7700	16963	20717	21566
Основні засоби:	1010	20467	24312	31373	48123	64022	66878
первісна вартість	1011	47554	54245	65799	88106	115389	120351
знос	1012	57087	29933	34426	39983	51367	53473
Інвестиційна нерухомість:	1015	0	0				
первісна вартість	1016	0	0				
знос	1017	0	0				
Довгострокові біологічні активи:	1020	0	0				
первісна вартість	1021	0	0				
накопичена амортизація	1022	0	0				
Довгострокові фінансові інвестиції:	1030	0	0				
які обліковуються за методом участі в капіталі інших підприємств							
інші фінансові інвестиції	1035	0	0				
Довгострокова дебіторська заборгованість	1040	0	0				
Відстрочені податкові активи	1045	162	125	125			
Гудвіл	1050	0	0				
Відстрочені аквізиційні витрати	1060	0	0				
Залишок коштів у централізованих страхових резервних фондах	1065	0	0				
Інші необоротні активи	1090	0	0				
Усього за розділом I	1095	21697	25561	40199	65951	85887	89649
<b>II. Оборотні активи</b>							
Запаси	1100	567	799	1127	1188	2239	2347
Виробничі запаси	1101	567	0				
Незавершене виробництво	1102	0	0				
Готова продукція	1103	0	0				
Товари	1104	0	0				

## Continuation of Appendices A

Поточні біологічні активи	1110	0	0				
Депозити перестраховування	1115	0	0				
Векселі одержані	1120	0	0				
Дебіторська заборгованість за продукцію, товари, роботи, послуги	1125	22956	45007	45904	40437	55505	57106
Дебіторська заборгованість за розрахунками:	1130	11	0				
за виданими авансами							
з бюджетом	1135	452	15	1302	1096	191	202
у тому числі з податку на прибуток	1136	452	0	1162			
з нарахованих доходів	1140	0	0				
із внутрішніх розрахунків	1145	0	0				
Інша поточна дебіторська заборгованість	1155	22	0				
Поточні фінансові інвестиції	1160	0	0				
Гроші та їх еквіваленти	1165	9206	11455	5338	4795	9328	9149
Готівка	1166	74	143	124	263	361	422
Рахунки в банках	1167	7755	10361	4712	3715	8134	8727
Витрати майбутніх періодів	1170	0	0				
Частка перестраховика у страхових резервах	1180	0	0				
у тому числі в:	1181	0	0				
резервах довгострокових зобов'язань							
резервах збитків або резервах належних виплат	1182	0	0				
резервах незароблених премій	1183	0	0				
інших страхових резервах	1184	0	0				
Інші оборотні активи	1190	112	68				
Усього за розділом II	1195	33326	57344	53671	47516	68304	68804
III. Необоротні активи, утримувані для продажу, та групи вибуття	1200	0	0				
Баланс	1300	55023	82905	93870	113467	154191	158453



## Continuation of Appendices A

Пасив	Код рядка	01.01.2014	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019
I. Власний капітал							
Зареєстрований (пайовий) капітал	1400	9698	9698	9698	9698	9698	9698
Внески до незареєстрованого статутного капіталу	1401	0	0				
Капітал у дооцінках	1405	0	0				
Додатковий капітал	1410	0	0				
Емісійний дохід	1411	0	0				
Накопичені курсові різниці	1412	0	0				
Резервний капітал	1415	0	0				
Нерозподілений прибуток (непокритий збиток)	1420	33062	42802	52648	63031	82632	82970
Неоплачений капітал	1425	0	0	( )	( )	( )	( )
Вилучений капітал	1430	0	0	( )	( )	( )	( )
Інші резерви	1435	0	0				
Усього за розділом I	1495	42760	52500	62346	72729	92330	92668
II. Довгострокові зобов'язання і забезпечення							
Відстрочені податкові зобов'язання	1500	0	0				
Пенсійні зобов'язання	1505	0	0				
Довгострокові кредити банків	1510	0	0				
Інші довгострокові зобов'язання	1515	0	0				
Довгострокові забезпечення	1520	0	0				
Довгострокові забезпечення витрат персоналу	1521	0	0				
Цільове фінансування	1525	0	0				
Благодійна допомога	1526	0	0				
Страхові резерви, у тому числі:	1530	0	0				
резерв довгострокових зобов'язань; (на початок звітного періоду)	1531	0	0				
резерв збитків або резерв належних виплат; (на початок звітного періоду)	1532	0	0				
резерв незароблених премій; (на початок звітного періоду)	1533	0	0				
інші страхові резерви; (на початок звітного періоду)	1534	0	0				

## Continuation of Appendices A

Інвестиційні контракти;	1535	0	0				
Призовий фонд	1540	0	0				
Резерв на виплату джек-поту	1545	0	0				
Усього за розділом II	1595	0	0				
III. Поточні зобов'язання і забезпечення							
Короткострокові кредити банків	1600	0	0	6123	9702	11591	12015
Векселі видані	1605	0	0				
Поточна кредиторська заборгованість:	1610	0	0				
за довгостроковими зобов'язаннями							
за товари, роботи, послуги	1615	10650	27940	23312	26253	45090	44122
за розрахунками з бюджетом	1620	1553	2063	1023	781	2237	2320
за у тому числі з податку на прибуток	1621	0	0		778	2237	2320
за розрахунками зі страхування	1625	0	0				
за розрахунками з оплати праці	1630	14	16	135			
за одержаними авансами	1635	44	385	112	541	588	605
за розрахунками з учасниками	1640	0	0				
із внутрішніх розрахунків	1645	0	0				
за страховою діяльністю	1650	0	0				
Поточні забезпечення	1660	0	0	484	1887	2260	2354
Доходи майбутніх періодів	1665	0	0				
Відстрочені комісійні доходи від перестраховиків	1670	0	0				
Інші поточні зобов'язання	1690	0	0	335	1574	95	107
Усього за розділом III	1695	12263	30405	31524	40738	61861	61523
IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу, та групами вибуття	1700	0	0				
V. Чиста вартість активів недержавного пенсійного фонду	1800	0	0				
Баланс	1900	55023	82905	93870	113467	154191	154191

## APPENDICES B

### Financial statement of the PJSC DHL International Ukraine, 2014 – 2018 years

Article	Line code	2014	2015	2016	2017	2018
Net income from sales of products (goods, works, services)	2000	268468	357590	465817	577718	622351
Net earned insurance premiums	2010	0				
Prizes are signed, gross amount	2011	0				
Reinsurance premiums	2014	0				
Change in unearned premium reserve, gross amount	2015	0				
Change in the share of reinsurers in the reserve of unearned premiums	2016	0				
Cost of sales (goods, works, services)	2050	- 238314	- 305133	-4E+05	- 5E+05	- 522381
Net losses incurred on insurance claims	2070	0				
Gross profit	2090	30154	52457	61143	85385	99970
Gross: Damage	2095	0	()	()	()	()
Income (expense) from changes in long-term liabilities reserves	2105	0				
Income from change in other insurance reserves	2110	0				
Change in other insurance reserves, gross amount	2111	0				
Change in the share of reinsurers in other insurance reserves	2112	0				
Other operating income	2120	15152	27342	10141	11313	12172
Revenue from changes in the value of assets that are measured at fair value	2121	0				
Income from initial recognition of biological assets and agricultural products	2122	0				



## Continuation of Appendices B

Administrative expenses	2130	-23196	-23874	-26949	-32188	-33862
Selling expenses	2150	-8138	-22959	-25577	-33409	-35013
Other operating expenses	2180	-2639	-21621	-6131	-6676	-6896
Expenses from changes in the value of assets that are measured at fair value	2181					
Operating result: profit	2190	11333	11345	12627	24425	36371
Operating result: loss	2195	0	( )	( )	( )	( )
Income from participation in capital	2200	0				
Other financial income	2220	71				
Other income	2240	2761	3753	2730	1131	808
Income from charitable assistance	2241	0				
Financial expenses	2250	0	-176	-839	-741	-652
Losses from participation in capital	2255	0	( )	( )	( )	( )
Other expenses	2270	-466	-1475	-1170	-449	-502
Profit (loss) from the impact of inflation on monetary items	2275	0				
Financial result before tax: profit	2290	13699	13448	13348	24366	36025
Financial result before tax: loss	2295	0	( )	( )	( )	( )
Income tax expense (income)	2300	-3959	-2737	-2660	-4765	-6485
Profit (loss) from discontinued operations after tax	2305	0				
Net financial result: profit	2350	9740	10711	10688	19601	29541
Net financial result: loss	2355	0	( )	( )	( )	( )
Material costs	2500	11944	20089	21779	30381	31596
salary expenses	2505	42982	49019	55426	59300	61672
Deductions for social events	2510	13669	15079	11613	13538	14080
Amortization	2515	6689	7412	10495	13276	13807
Other operating expenses	2520	194365	260367	357887	441435	459092
Together	2550	269649	351966	457200	557930	580247

## APPENDICES C

Matrix of STEEPLE analysis of the influence of different factors on the economic activity of PJSC DHL International Ukraine

Group of factors	The manifestation of the factor	Direction of influence on economic activity *	Explanation of impact
Political	Dynamics of political situation development	+/-	The political situation in Ukraine is volatile in the long run
	Risks of exacerbation of conflicts in the East	-	Lack of signals for reconciliation by the authorities of the occupied territories and Russia. The company also lost one of the most profitable regions - Donetsk region due to the military situation in eastern Ukraine
	Reduced external support for Ukraine	-	Ukraine gradually losing focus on foreign partners, destabilization of military-political situation
Legal	Legislation	+/-	It is ambiguous in terms of its impact on activities. The enterprise adapts to its changes
	Fighting raiding	+	The legislation has made some changes to the activity of state registrars, which complicates raider attacks on business
Economic	Exchange rate	+	The strengthening of the national currency exchange rate has a positive effect on the ability to plan activities, reduces losses from exchange differences
	Inflation	+	Inflationary processes have stabilized over the last 3 years
	Market pricing	+	Domestic manufacturers have a number of advantages in pricing policy compared to overseas dealers

Continuation of Appendices C

Group of factors	The manifestation of the factor	Direction of influence on economic activity *	Explanation of impact
Economic	The cost of loans in the economy	+	Reduction of the NBU discount rate for the first half of 2019 contributes to the decrease in the cost of loans in the economy
Social (demographic)	Population decline	-	Population decline in general has a negative impact on the generation of potential demand for logistics services
	Urbanization	+	Increasing the level of urbanization is increasing the demand for logistics services
Technological	Technology of providing services	+	Modern technologies are predicting increasing demands for logistics services
	Communication technologies	+/-	The development of information systems makes the process of providing logistics services more flexible
Ecological	Environmental Impact (NPV)	+	The provision of logistical services involves the presence of harmful emissions from the operation of engines. Also damage to nature causes the construction of roads.

\* ("+" - promotes development, "-" - impedes development, "+/-" or "- / +" - influence is ambiguous)

## APPENDICES D

Information on production volumes and sales of main products of PJSC DHL International Ukraine for 2014-2018

№	The main type of products	Production / sales volume 2014			Production / sales volume 2015		Production / sales volume 2016		Production / sales volume 2017		Production / sales volume 2018	
		in kind (physical ed.)	in cash (UAH thousand)	as a percentage of all production	in cash (UAH thousand)	as a percentage of all production	in cash (UAH thousand)	as a percentage of all production	in cash (UAH thousand)	as a percentage of all production	in cash (UAH thousand)	as a percentage of all production
1	2	3	4	5	6	7	8	9	10	11	12	13
1	International express transportation	shipment (pieces)	162154.6	60.4	171883.6	61.7	222884	63.9	370895	64.2	436952	65.8
2	Express transportation in Ukraine	shipment (pieces)	83225	31	87322.1	31.4	98212.8	29	164649	28,50	231562	27,00
3	Transportation by cars	service (pcs.)	18524.3	8,6	19265.3	6,9	20018.2	7,1	41018	7,3	55964	7,2





## Continuation of APPENDICES F

2.1 Research on the situation in existing markets	4	-	-	-	-	-	4
2.2 Assessing the prospects for new markets to stimulate demand for transport services	-	5	-	-	-	-	5
1	2	3	4	5	6	7	8
2.3 Develop a plan for implementation of digital promotion tools	-	-	6	-	-	-	6
2.4 Develop a budget for the promotion of services	-	-	-	7	7	-	14
3. Improvement of logistics business processes, their optimization	-	-	-	7	5	5	17
3.1 Formation of the updated structure of business processes, improvement of analytics and budgeting	-	-	-	2	-	-	2
3.2 Formation of the system of CRI system for evaluation of business processes	-	-	-	1	-	-	2
3.3 Development of a digital analytics implementation program	-	-	-	3	-	-	3
Total, days	11	13	11	21	19	5	80

## APPENDICES F

Information on the relative indicators of economic and financial activity in the reporting period of PJSC DHL International Ukraine

Indicator	2014	2015	2016	2017	2018	Average value
1	2	3	4	5	6	7
The level of cost of sales	0,888	0,853	0,869	0,852	0,839	0,860
The level of administrative costs	0,086	0,067	0,058	0,056	0,054	0,064
The level of sales costs	0,030	0,064	0,055	0,058	0,056	0,053
Ratio of other operating income to other operating expenses	5,74	1,26	1,65	1,69	1,77	2,424
Growth rate of other operating income	-	1,80	0,37	1,12	1,08	1,092
Growth rate of other income	-	1,36	0,73	0,41	0,71	0,804
Growth rate of financial expenses	-	0,00	4,77	0,88	0,88	1,633
Growth rate of other expenses	-	3,17	0,79	0,38	1,12	1,365