

Kyiv National University of Trade and Economics
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FINAL QUALIFYING PAPER (PROJECT)
on the topic:

**“International competitiveness of enterprises on the transportation logistic market
of the LLC “BUS TOUR”**

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INTRODUCTION

Globalization processes help to identify completely new patterns in the development of the world economy under the influence of intensification of activity. With the development of international retail trading networks equipped with modern technologies, there is a need to introduce new approaches to the formation of logistics strategy and optimization of logistics proxies at Ukrainian trade enterprises. In order to speed up transportation, reducing transport costs of enterprises sending and receiving cargo as well as ensuring the most productive work of transport forwarding company is an intermediary between the client and the carrier, and provide services for finding an artist and transport that meets the criteria for cargo transportation.

Every year there are more and more companies offering freight services. At the same time, most new players cannot stand the competition, as the circle of leaders is already formed.

The relevance of the topic of this final qualifying paper is because of the conditions of increasing competition between transport companies, they need to develop their competitive advantages, that is, to develop such measures that will promote their active growth. This will increase the level of competitiveness and allow the enterprise to improve and consolidate its position in the market of transport transportation by providing customers with a more complete range of services. As the world of transportation in the world is developing very fast and Ukraine has a very extensive infrastructure in this regard, it is necessary to pay special attention to maintaining and developing the country's competitive advantages in this area.

Analysis of scientific works of domestic and foreign scientists in the field of transport logistics and international transport confirm the urgency improvement of transport and logistics services at international cargo transportation. In this work used research, devoted to the problem of improving the system transport and logistics service for freight transportation, such domestic scientists as Ilchenko N., Cherkashina M., Makarenko M., Krykavsky E.V., Kalchenko A.G., Larina R.R., Pdahuta A.G. These scientists and researchers devoted the works, in particular, to the definition of the

concepts and nature of transport and logistics and freight forwarding activities, regulatory and legal framework for the implementation of international freight, determining the features of the process of transport and logistics services. Publications of Baueroks D.J., Kloss D.J. and other researchers are devoted to the study of foreign experience in studying the features and prospects of the development of transport and logistics services. However, the issues regarding the peculiarities of forming competitive advantages and ensuring international competitiveness in the transport and logistics market are poorly researched, and it determines the relevance of this work.

The purpose of this final qualifying paper is to develop directions for the enterprise to strengthen and increase its competitive position.

For this purpose the following tasks were set and solved:

1. To analyze the international transportation logistic market;
2. To assess financial and economic indicators of the LLC “BUS TOUR”;
3. To analyze factors, that influence the international activity of LLC “BUS TOUR”;
4. To estimate international competitiveness of the enterprise;
5. To develop measures to shape the competitive advantage of the enterprise;
6. To analyze the effectiveness of proposed measures for LLC “BUS TOUR”.

The object of this final qualifying paper is the process of international competitiveness' formation of transportation company in the logistic market.

The subject of the research is a set of constituents specific to achieving the sustainable competitive position of the transportation company LLC “BUS TOUR”.

The research is based on the methods of statistical observation, analysis and synthesis, methods of comparison, absolute and relative variables, abstraction, analogy, calculation. In accordance with the tasks set in the final qualifying paper, methods of research of processes are also used: in the evaluation of the international and financial and economic activity of the enterprise – mathematical and statistical analysis of the financial reports of the enterprise. Graphical and tabular methods were used as well.

Information base for research: legislative and regulatory acts of Ukraine, official materials of the State Statistics Service of Ukraine, monographs and scientific-analytical

articles of domestic and foreign scientists, Internet resources, books and educational literature.

The practical significance of the obtained results is the development of measures for development and formation of competitive advantages in the market of freight logistic services, with further economic justification for the feasibility of their realization.

PART 1. ANALYSIS OF CURRENT PERFORMANCE OF THE LLC “BUS TOUR”

1.1. Analysis of the modern trends in international logistic market

Like most other industries, transportation and logistics (T&L) is currently confronting immense change; and like all change, this brings both risk and opportunity. New technology, new market entrants, new customer expectations, and new business models. There are many ways the sector could develop to meet these challenges, some evolutionary, others more revolutionary.

Based on the various logistics model types, scientists segmented the market into first party logistics, second party logistics, third party logistics, and fourth party logistics. Logistics offers many advantages such as reduction in operational cost, improvement in delivery performance, and increase in customer satisfaction levels. Globalization is also supporting the logistics market, as more and more multinational companies are outsourcing the logistics services to third, second, and fourth parties, making the supply chain longer and complex. The reason for this growth is the presence of a large manufacturing base in dominant logistics oriented countries such as China and India. Manufacturing sector followed by the retail sector is growing. The reason for this growth is the growth of e-commerce [6]. The internet retail market includes the display and purchase of items via internet and the delivery of the purchased item to the consumer. There are a large number of global online retailers such as Amazon.com, eBay, Wal-Mart, bestbuy.com and Target brands, Inc. Among these players, Amazon.com reported revenues of US\$ 19.16 billion in 2008 which increased to US\$ 61.09 billion in 2012. Quality of the item, delivery time, and after sales service and support plays a crucial role in the internet retail market [9]. Thus, an online retailer needs to have good logistics to create and maintain good relationships with the customers. Military is the third largest market for logistics. Increasing trade between countries has spurred the demand for logistics services.

According to eMarketer research on Figure 1.1, global ecommerce will rise 20,7% in 2019 to \$3,535 trillion. Despite its obviously strong growth rate, 2019 will experience a decline from the previous two years when ecommerce grew 28,0% in 2017 and 22,9% in 2018. By 2021, they expect global ecommerce will approach \$5 trillion, though growth rates will fall below the 20% threshold beginning in 2020 (Figure 1.1).

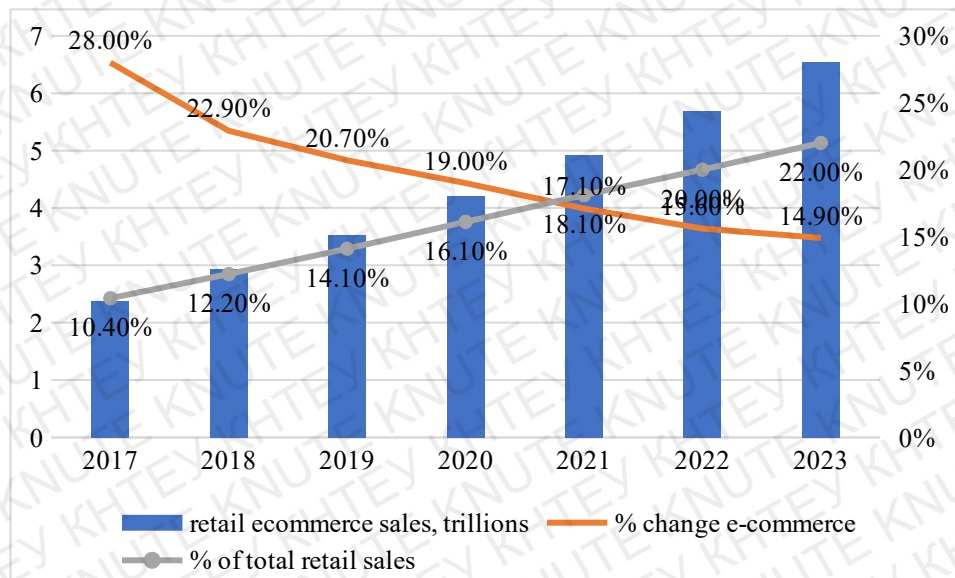


Fig. 1.1. Forecast of dynamics of worldwide e-commerce [1,5]

The popularity of online shopping has increased globally in the last couple of years. And despite decrease of growth of e-commerce, there is a stability growth of retail e-commerce sales in 2017-2018 years and there is a positive forecast for 2019-2023 year. Even with the cooling off of China's previously hot consumer economy, Asia-Pacific will still lead the global ecommerce growth charge in 2019, table 1.1 shows leaders of E-commerce sales growth [5].

Table 1.1.

Retail E-commerce Sales Growth Worldwide, by Region, 2019, % change

Region	Sales Growth, %
Asia-Pacific	25,00%
Latin America	21,30%
middle East & Africs	21,30%
Central & Eastern Europe	19,40%
North America	14,50%
Western Europe	10,20%
Worldwide	20,70%

Source: [5]

There is expectation of region e-commerce growth of 25.0% to \$2.271 trillion, representing 64.3% of global ecommerce spending. Latin America and Middle East/Africa will experience identical year-over-year growth rates of 21.3%, slightly outpacing the global average, while North America (up 14.5%) and Western Europe (up 10.2%) are the laggards.

Six of the top 10 fastest-growing e-commerce countries in 2019 hail from the Asia-Pacific region, led by India and the Philippines at more than 30% growth and rounded out by China, Malaysia, Indonesia and South Korea. Latin America boasts the top-growing overall ecommerce market—Mexico at 35.0%—and No. 8 Argentina. Even more mature regions for ecommerce like North America (Canada, 21.1% growth) and Europe (Russia, 18.7% growth) claimed spots in the top 10 [13] (Table 1.2).

Table 1.2.

Top 10 Countries, Ranked by Retail E-commerce Sales Growth, 2019, %

Country	Ecommerce Sales Growth, % change
1. Mexico	35,00%
2. India	31,90%
3. Philippines	31,00%
4. China	27,30%
5. Malaysia	22,40%
6. Canada	21,10%
7. Indonesia	20,60%
8. Argentina	18,80%
9. Russia	18,70%
10. South Korea	18,10%
Worldwide	20,70%

Source: [5]

Asia Pacific and North America appeared to be the most attractive markets for logistics particularly in contract logistics such as fourth party logistics and second party logistics. Intra-regional trade in emerging markets is becoming important, particularly in Asia Pacific. The usage of logistics services in industrial and manufacturing, oil and gas, food & beverages, and retail is expected to rise massively during the forecast period, which in turn is estimated to strengthen the growth of the logistics market globally [14].

The main trends in the logistics market as a whole are the active development of the cargo mass segment up to 30 kg and the cargo segments; reduction of full-freight transfers, increase in the number of consumers to furniture manufacturers, cargoes of light industry, auto parts. It is also possible to refuse the aspiration of some companies expanding their activity in other markets - by organizing their own insurance company entering the market of international purchases, etc. Factors that affect the operation of logistics companies and their self-service use the flat state of the road (and, as a rule, the high cost of depreciation of transport), long-term payment services, high level of competitiveness, poor potential for paying customers, constant growth of prices state-of-the-art lubricants and spare parts, increasing insurance rates.

Global trends in the development of logistics are characterized by significant investment in innovation to accelerate and simplify the delivery of goods. First of all, this is Blockchain, now this technology is being tested on the freight market. The IT company that provides this solution is IBM; it is tested on Maersk and other counterparties. For the second year, tests of the monitoring system of logistics orders have been underway. The second trend is 3D visualization. This is a program that allows you to show the correct techniques for storing goods in vehicles. You can see how best to put the load with the maximum load of the vehicle [17]. The third trend is robots and drones. Many companies have tested pizza delivery to end consumers using robots. The Estonian Parliament even passed a bill that regulates the movement of robots on the street. The fourth trend is unmanned vehicles and electric vehicles. The Tesla Semi Truck, which will appear in 2019, will be an electric truck with the function of an unmanned driver. Other companies, such as BMW, Mercedes, and even the Russian Kamaz, are also currently testing this feature. And the latest trend is 3D printing on a 3D printer [15].

In Ukraine the year 2015 is characterized by the peak in the decline in freight traffic - up to 315 billion tons per 1 km. However, already in 2017, the market showed a steady growth, and a positive trend continues in 2018. Figure 1.2 shows dynamics of freight turnover, industrial production and foreign trade in Ukraine. The statistic reflects

that the state of the market for logistics services, first of all, depends on the dynamics of industrial production.

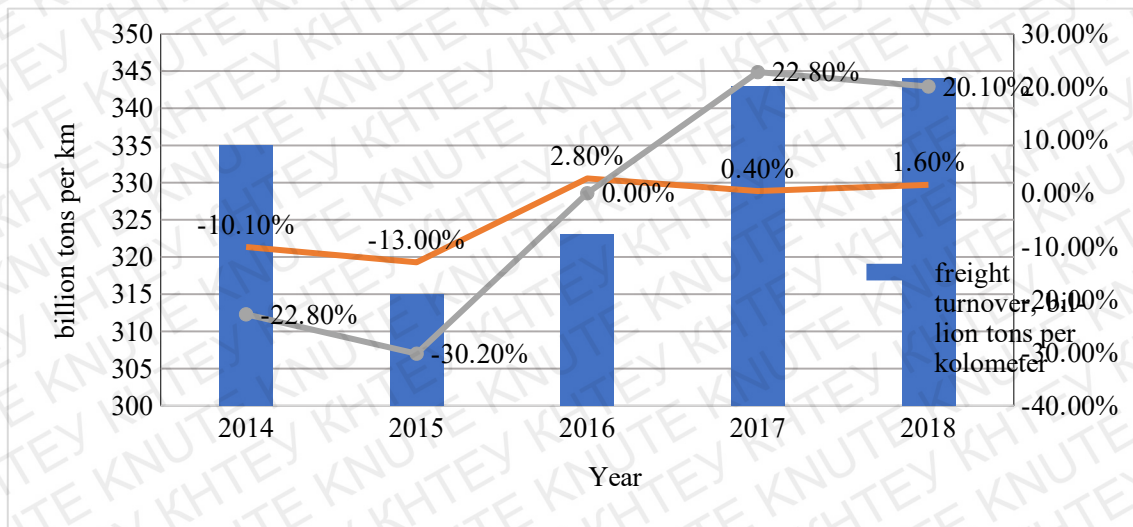


Fig. 1.2. Dynamics of Freight turnover, industrial production and foreign trade 2014-2018 year[1]

Logistics is an important industry for the Ukrainian economy, and its importance is determined by the fact that well-developed logistics helps to develop production. But at the same time, logistics depends on the state of the country's economy and, first of all, on the state of industry.

The geographical structure of cargo transportation shows that the Russian Federation remains our main trading partner (even with a decrease in foreign trade in this direction by more than four times in the last five years). Figure 1.3 shows Geographical structure of cargo transportation in 2017 and 2018. And this trend is likely to continue in 2019, as Ukrainian suppliers are still looking for new partners to sell their products. The next, after Russia, in terms of cargo volumes is China, as well as the countries of the European Union, where Ukrainian manufacturers will reorient after a partial loss of the Russian market [1]. Based on the various transport infrastructures, the market is segmented into road transport, waterways transport, rail transport, and air transport. Road freight transport is the most widely used transport infrastructure globally and has proven to be vital to the social integration and economic development of various counties.

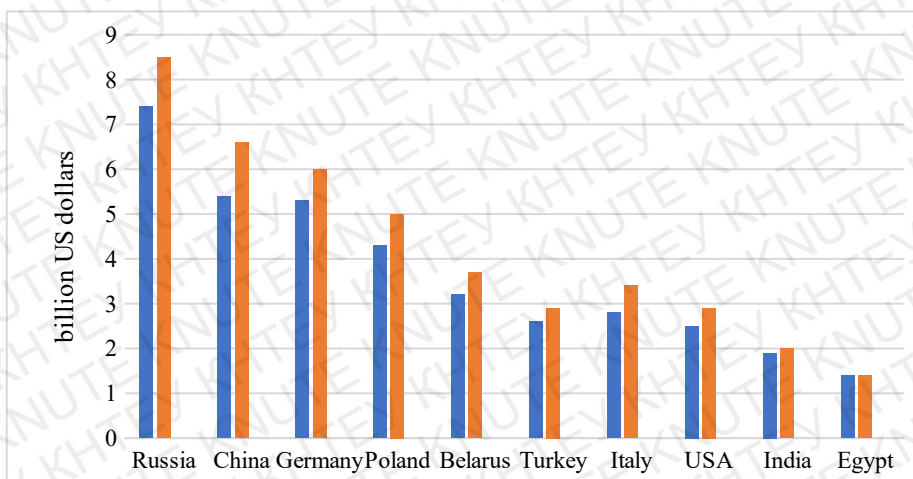


Fig. 1.3. Geographical structure of cargo transportation in 2017 and 2018, billion US dollars[10]

Considering the structure of trade turnover by modes of transport, there is a tendency to a decrease in the share of railway transport (62.5% and 55.8% in 2014 and 2018, respectively) in Ukraine. And since 2015, figure 1.4 shows growth of the share of road transport (12.7% and 10.1% in 2015 and 2018, respectively). This is due to the fact that Ukrzaliznytsia currently has about 1,800 trunk locomotives on its balance, 800 of which are constantly being used. The rest undergo full or partial maintenance so they are not operated. About 96% of railway carriages are in the age group over 30 years. Another reason for the decrease in rail transportation is the decrease in weight standards for locomotives (in the summer of 2018), which increases the turnover of a railway carriage [7].

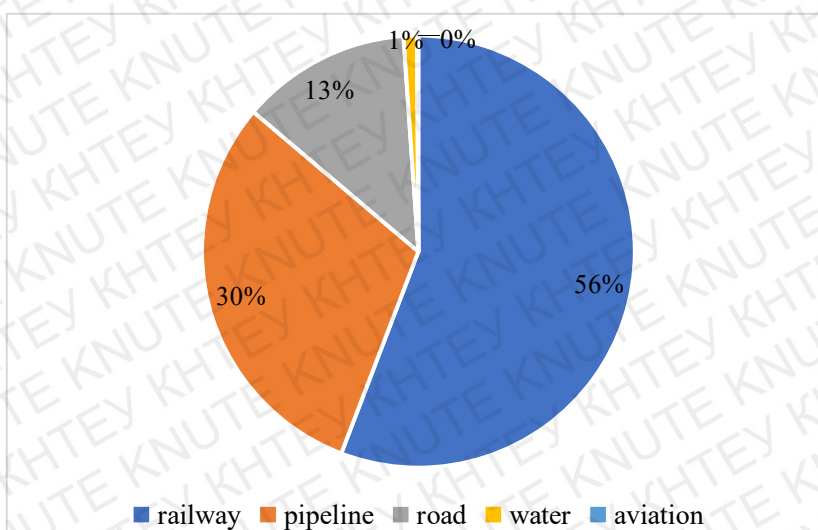


Fig. 1.4. The structure of cargo turnover by mode of transport in Ukraine [11]

Freight transport by road in Ukraine is growing. By revenue, roadways held the dominant share and by volume, waterways accounted for the leading share in 2015. The waterways transport segment constituted the largest market share, followed by the air transport infrastructure segment, in 2016. The main factors influencing the logistics market are the general state of the economy, the state of the industry, and the cost (freight tariff). Let's look at the dynamics of cost and volumes of freight traffic by road, to compare how the tariff affects the volumes of rail freight. Figure 1.5 shows inverse dependence - as tariffs go down, volumes decrease. The peak of tariff growth came in 2015, which was due to devaluation and inflation, which amounted to about 40% and even more. And at about the same time, the growth rate of freight traffic reached the bottom, in 2015. Since 2017, it is possible to observe stabilization in this market [31].

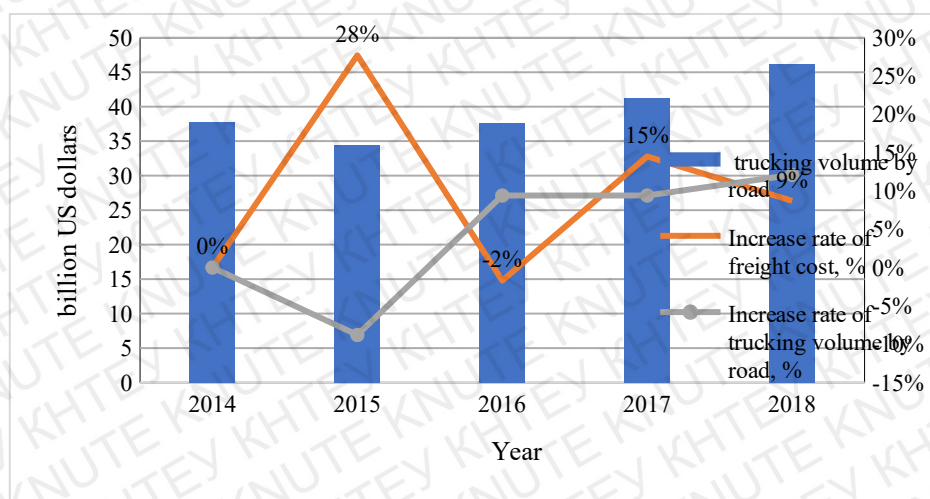


Fig. 1.5. Dynamics of freight costs and freight volumes in Ukraine[1]

Factors that affect this segment:

1. Penalties for truck overload;
2. Rising prices for rail transportation;
3. The increase in retail and wholesale turnover: in 2018 - 14 and 16%.

The cost of freight in road transport in national currency almost doubled on average: from 14 UAH / km (in 2014) to 26–28 UAH / km (this year). To a large extent, the price of diesel fuel affects the cost of trucking: it is about 44% in the structure of the price offer. Excise duty (calculated, including on the basis of the value of the euro) accounts for 38%. At the beginning of the year, it was predicted that oil on world markets would be up to \$ 90-100 per barrel, but against the backdrop of statements by

the US President about possible sanctions against Iran, since September we have seen prices drop from \$ 80 to \$ 60 per barrel. The main reason for the fall is the large oil reserves.

Logistics management is making an organization more competitive in terms of quality, cost, flexibility, and delivery. Due to these factors, organizations are now focusing on improving their logistics activities. The logistics services market is developing through outsourcing of part of the functions of the client companies. In 2018, 57% of all logistics services in terms of value were outsourced to logistics outsourcing. Manufacturers of goods and services are increasingly focusing on their core competencies, seeking to outsource non-core activities to specialist logistics providers. The development of the Asian region is progressing rapidly, contributing to the development of international logistics. The leaders in the European logistics market are Germany, the Netherlands, the United Kingdom and France. The processes in the global logistics market are very important for domestic enterprises because the logistics infrastructure of Ukraine is connected with many regions of the globe, and numerous domestic enterprises are actively involved in the system of international economic relations. Of particular interest to Ukrainian entrepreneurs is the European logistics market, which has a significant turnover.

1.2. Assessment of international economic activity and financial indicators of the LLC “BUS TOUR”

LLC “BUS TOUR” operates on the market of freight forwarding services as logistics operator that provides a list of the services to cargo owners. The list of provided services includes: transportation by road transport, freight forwarding, customs clearance and other accompanying documents, customs clearance of imported and exported goods, warehousing services, loading and unloading, formation of groupage cargoes, development of optimal transport schemes, cargo control on the way, etc. Also, the company is engaged in intercity automobile passenger transportation only within Ukraine.

According to the Classification of Economic Activities (NACE) the main activities of the company include: other transportation support activities (H.52.29), freight transport by road (H.49.41), other passenger land transport n.e.c. (H.49.39) [5].

The economic and financial condition of the enterprise is stable. We can verified it through the annual publication of the results of the activities. Analysis of the financial condition of the enterprise is a necessary step for the development of plans and forecasts of financial recovery of enterprises. The information base for the analysis of the financial position is the financial statements that reflect the assets and financial position of the entity at a particular date. The financial statements consist of interrelated forms on the basis of which we can analyze the financial position of the company, such as Balance Sheet [Annex A], Statement of Financial Results [Annex B], Statement of Cash Flows, Equity Statement.

We can the characterized the efficiency level of LLC “BUS TOUR” by the financial results obtained as a result of its activity. On the basis of the balance sheet and the statement of financial results we have analyzed the dynamics of the financial results of the company during 2014-2018 and calculated certain indicators of its activity in the Table 1.3. The report on financial results is of interest, first of all, as it displays the main income, expenses and various financial results of the company. The balance is necessary when calculating individual indicators of profitability, which will help to understand the effectiveness of the use of available limited assets for profit.

Table 1.3

Dynamics of income statement of LLC “BUS TOUR” for years 2014-2018

Year	Dynamics, thousand hryvnias					Relative deviation, %			
	2014	2015	2016	2017	2018	2015	2016	2017	2018
Sales revenue	5574,4	3027,8	4681,5	4525,2	5656,2	-46%	55%	-3%	25%
Cost of goods sold	4993,7	2686,6	3997,9	4102,1	5184,6	-46%	49%	3%	26%
Gross profit	580,7	341,2	683,6	423,1	471,6	-41%	100%	-38%	11%
Operating expenses	637,7	636,4	764,3	939,5	1019,7	0%	20%	23%	9%
Operating profits	198,3	215,2	489,7	111,8	176,6	9%	128%	-77%	58%
Net profit before taxes	185,2	197,2	559,0	126,0	236,5	6%	183%	-77%	88%
Taxes	23,1	35,5	100,6	22,7	42,6	54%	183%	-77%	88%
Net profit after taxes	162,1	161,7	458,4	103,3	193,9	0%	183%	-77%	88%

Source: developed by the author on the basis of [annex A, B]

The data in the Table 1.3 show that in 2018 year, compared with 2014 to 2017, the situation with the net profit characterizing the financial results of operations has become higher. Thus, an exception is net profit in 2016 year – 458,4 by reducing the share of operating expenses. Regardless the situation of the general decline in the volume of manufactured products in 2015-2016 year and the reduction in the need for transportation of goods, the company shows a consistently positive result in net profit. This was due to an increase in operating income. To cover losses associated with a decrease in demand for trucking, the company provided idle cars for temporary use and sold two cars from its existing fleet. In addition, the company almost doubled the number of passenger traffic on the territory of Ukraine by using the existing fleet of passenger buses and the free resource of drivers.

Table 1.4

Dynamics of the assets of LLC “BUS TOUR” for years 2014-2018

Trend of	Dynamics, thousand hryvnias					Relative deviation, %			
	2014	2015	2016	2017	2018	2015	2016	2017	2018
Fixed assets incl.	1345,9	1556,0	1701,9	1762,0	1722,8	16%	9%	4%	-2%
Current assets incl	356,8	244,5	442,3	659,6	887,3	-31%	81%	49%	35%
-Cash	35,7	50,8	134,4	345,8	474,6	42%	165%	157%	37%
-Accounts receivable	145,8	41,3	119,4	118,0	216,3	-72%	189%	-1%	83%
-Inventories	169,8	141,8	172,2	179,6	181,7	-16%	21%	4%	1%
Total Assets	1702,7	1800,4	2144,2	2421,6	2610,1	6%	19%	13%	8%

Source: developed by the author on the basis of [annex A, B]

According to Table 1.4, the company is steadily increasing the total volume of fixed and current assets, an exception is only in 2018 compared with 2017 slight decrease of fixed assets. The gradual grows of cash, accounts receivable and inventories from 356,8 to 887,3 indicates an increase of economic activity of the enterprise. We can see gradual growth of fixed assets of LLC “BUS TOUR” from 1345,9 to 1722,8 thousand hryvnias. This indicates an increase in production and sales potential of the enterprise.

Table 1.5

Dynamics of the liabilities and stockholders equity LLC “BUS TOUR” for years 2014-2018

Trend of	Dynamics, thousand hryvnias					Relative deviation, %			
	2014	2015	2016	2017	2018	2015	2016	2017	2018
Stockholders equity	1443,0	1604,9	1914,9	2195,8	2344,4	11%	19%	15%	7%
Long term debts	0,0	0,0	14,0	19,3	34,4	-	-	38%	78%
Current liabilities incl	259,7	195,6	215,3	206,5	231,4	-25%	10%	-4%	12%
Accounts payable	118,5	62,5	3,0	2,5	71,7	-47%	-95%	-15%	2766%

Continuation of the Table 1.5

Trend of	Dynamics, thousand hryvnias					Relative deviation, %			
	2014	2015	2016	2017	2018	2015	2016	2017	2018
Short term debts	0,0	2,4	19,8	17,4	0,0	-	740%	-12%	-100%
Total Liabilities	259,7	195,6	229,3	225,8	265,7	-25%	17%	-2%	18%
Balance	1702,7	1800,4	2144,2	2421,6	2610,1	6%	19%	13%	8%

Source: developed by the author on the basis of [annex A, B]

Analyzing the dynamics of liabilities in the Table 1.5, we see a negative trend of decrease in stockholders equity with simultaneous growth of long term debts and current liabilities according to a significant increase of accounts payable and short term debts. The amount of long-term liabilities is steadily increasing, which on the one hand reduces the risks of loss of current liquidity, but on the other hand increases the level of interest payments.

Table 1.6

Activity Ratios dynamics of LLC “BUS TOUR” for years 2014-2018

Activity ratios	2014	2015	2016	2017	2018
Total assets turnover	3,3	1,7	2,2	1,9	2,2
Current assets turnover	15,6	12,4	10,6	6,9	6,4
Inventory turnover	29,4	18,9	23,2	22,8	28,5
Average age of Inventory, days	12,4	19,3	15,7	16,0	12,8
Account receivables turnover	38,2	73,3	39,2	38,3	26,1
Average collection period, days	9,5	5,0	9,3	9,5	14,0
Account payables turnover	47,0	48,4	1586,9	1810,1	78,9
Working capital turnover	57,4	61,9	20,6	10,0	8,6

Source: developed by the author on the basis of [annex A, B]

Activity ratios are represented in 1.6. It shows the effectiveness of the current inventory management. Increased inventory turnover ratio indicate from 18,9 to 28,5 days shows that a company needs more time to turn the inventory to sales. The increasing trend of company’s inventory turnover lead to a slowdown in the turnover of goods, to the need for additional attraction of funds into circulation, an increase of the costs of handling associated with the storage of goods. A decline of Average age of

inventory indicates less efficiently the company generates revenue with its working capital. The reduction of account receivables turnover is negative for a company, because the ability to turn accounts receivable into cash has become lower. Growth of the inventory turnover of a company shows efficient production and reducing the need for working capital for company.

Table 1.7

Dynamics of profitability of LLC “BUS TOUR” for the years 2014-2018

Ratios	2014	2015	2016	2017	2018
Gross Profit Margin	10,4%	11,3%	14,6%	9,3%	8,3%
Operating Income Margin	1,0%	9,7%	1,7%	11,4%	9,7%
Return on Assets	9,5%	9,0%	21,4%	4,3%	7,4%
Return on Equity	11,2%	10,1%	23,9%	4,7%	8,3%

Source: developed by the author on the basis of [annex A, B]

An indicators of LLC “BUS TOUR” profitability we can see in the table 1.7. ROA shows that the company use efficient management at using company assets to generate earnings but there is negative tendency of reducing ROA from 21,4% to 7,4% (2016 and 2018). In 2016 company use timely reorientation from cargo to passenger transportation also due to the lack of investment in updating the fleet. The trend of the remaining profitability indicators is similar to ROA - a maximum we can see in 2016, in 2017-2018, indicators are reduced. In this time there is a certain stabilization of the economic situation in Ukraine in 2016, an increase in industrial production and a gradual increase in export volumes and, accordingly, international freight turnover compared with 2014-2015 [7]. Under the influence of these factors, the company invested in the purchase of several trucks. Reduction of Gross Profit Margin of the LLC “BUS TOUR” from 10,4% to 8,3% shows decline of the percentage of revenue that exceeds the cost of goods sold and means not effective enough company’s costs controlling.

Table 1.8

Liquidity ratio dynamics of LLC “BUS TOUR” for the years 2014-2018

Ratio	For 31.12.14	For 31.12.15	For 31.12.16	For 31.12.17	For 31.12.18
Current Ratio	1,4	1,3	2,1	3,2	3,8
Quick Ratio	0,7	0,5	1,3	2,3	3,0
Cash ratio	0,1	0,3	0,6	1,7	2,1
Working capital	97,1	48,9	227,0	453,1	656,0
Doom's Day Ratio	0,14	0,26	0,62	1,67	2,05

Source: developed by the author on the basis of [annex A, B]

In the short term, the criterion for assessing the financial condition of the company is its liquidity. The current ratio measures the ability of an organization to pay its debts in the short-term period. Refer to table 1.8 in LLC “BUS TOUR”, this indicator grows from 2014 to 2018 and over the entire period it is greater than 0,5, that shows high attractiveness of this enterprise for lenders and the company's ability to pay its current debts. Quick ratio indicator shows company's short-term liquidity position and measures a company's ability to meet its short-term obligations with its most liquid assets - cash and cash equivalents, financial investments and accounts receivable. In the period of 2014-2018 it is sufficient ($>0,6$), the exception is only 2015, when it was only 0,52. The indicator doom's day ratio in period 2015-2018 is greater than 0,2 so LLC “BUS TOUR” can pay off its short-term obligations.

Table 1.9

Financial sustainability and Debt Ratios dynamics of LLC “BUS TOUR” for years 2014-2018

Ratio	For 31.12.14	For 31.12.15	For 31.12.16	For 31.12.17	For 31.12.18
The equity-to-asset ratio	0,85	0,89	0,89	0,91	0,90
Equity to Debt Ratio	5,56	8,21	8,35	9,72	8,82
Long-Term Debt Ratio	0,00	0,00	0,01	0,01	0,01
Debt Ratio	0,15	0,11	0,11	0,09	0,10
The Long-Term Debt to Total Capitalization Ratio	0,00	0,00	0,01	0,01	0,01
The current assets to equity ratio	0,25	0,15	0,23	0,30	0,38

Source: developed by the author on the basis of [annex A, B]

The equity-to-asset ratio approaches 90%, it means the company has financed

almost all of its assets with equity, instead of taking on debt. LLC “BUS TOUR” has financed 90% of its assets with shareholder equity, meaning that only 10% is funded by debt. The higher the equity-to-asset ratio, the less leveraged the company is, meaning that a larger percentage of its assets are owned by the company and its investors (table 1.9). The current assets to equity ratio is greater than 0, so it is a positive for company indicates the sufficient managing of its own financial resources. In this period the indicator net working capital is greater than 0, so the company can pay off its short-term liabilities, and also has reserves for growth of its activity.

Equity to Debt Ratio is greater than 1,5 so the potential of the company is underutilized. Credit may allows to increase production and sales, to intensify financial, investment and operating activities. So company has the availability of additional reserves of efficiency gains through borrowing.

The growth indicators counting shows stable growth during 2014-2018 year of such indicators: fixed assets, total assets, balance value. Indicators: trend of income growth, total operating income, gross profit, net profit, credit payables are characterized by declining in 2015 in comparison with 2014 and declining in 2017 in comparison with 2016 but subsequent growing in 2018 in comparison with 2017. At the same time, since the company was founded in 2009, the biggest decline in total operating income and gross profit happened in 2015 - by 41% and 28% respectively.

So, by analyzing the financial results of LLC “BUS TOUR” we can make the conclusion of the profitability of the activity of the analyzed enterprise. In general, most of the company's solvency and financial performance met regulatory values. Also, there is positive trend in the change of indicators of 2016-2018, although there is relative stability. But the company does not take advantage of long-term lending, so has the availability of additional reserves of efficiency gains through borrowing. In general, the activity of the company may be evaluated as effective enough, because the most important indicators of financial position increased.

CONCLUSIONS TO PART 1

Logistic systems are one of the most important components that ensure the economic development of enterprises, regions and world as a whole. The level of satisfaction of the needs of consumers in quality goods and services depends on the level of transportation and logistics services. Based on geography, the market is segmented into North America, Europe, Asia Pacific, Middle East & Africa and South America. Among these regions, in terms of revenue, Asia Pacific held the major market share, accounting for 31,6% in 2016, followed by North America. This trend is anticipated to continue over the forecast period. The growth of the global market is directly related to the growth of global international trade flow and economic environment. The development of the Asian region is progressing rapidly, contributing to the development of international logistics. The leaders in the European logistics market are Germany, the Netherlands, the United Kingdom and France.

Global trends in the development of logistics are characterized by significant investment in innovation to accelerate and simplify the delivery of goods. First of all, this is Blockchain and 3D visualization, that allows company to know the correct techniques for storing goods in vehicles.

Logistics is an important industry for the Ukrainian economy, and its importance is determined by the fact that well-developed logistics helps to develop production. But at the same time, logistics depends on the state of the country's economy and, first of all, on the state of industry. In Ukraine the year 2015 is characterized by the peak in the decline in freight traffic - up to 315 billion tons per 1 km. But in 2017, the market showed a steady growth, and a positive trend continues in 2018. The geographical structure of cargo transportation shows that the Russian Federation remains our main trading partner and this trend is likely to continue in 2019. The next, after Russia, in terms of cargo volumes is China, as well as the countries of the European Union, where Ukrainian manufacturers will reorient after a partial loss of the Russian market.

LLC "BUS TOUR" operates on the market of freight forwarding services as logistics operator that provides a list of the services to cargo owners. The list of provided services includes: transportation by road transport, freight forwarding, customs

clearance and other accompanying documents, customs clearance of imported and exported goods, warehousing services, loading and unloading, formation of groupage cargoes, development of optimal transport schemes, cargo control on the way.

In general, the activity of the company may be evaluated as effective enough, because the most important indicators of financial position increased.

The efficiency level of LLC “BUS TOUR” is characterized by the financial results obtained as a result of its activity. On the basis of the balance sheet and the statement of financial results we have analyzed the dynamics of the financial results of the company during 2014-2018 and calculated certain indicators of its activity. Income statement analysis shows stable growth of sales revenue and net profit. Activity Ratios analysis shows the effectiveness of the current inventory management. Increased inventory turnover ratio indicate from 18,9 to 28,5 days shows that more time is needed for a company to turn the inventory to sales. Using Analysis of profitability we can see reduction of Gross Profit Margin of the LLC “BUS TOUR”, that means not effective enough company’s costs controlling. Financial sustainability and Debt Ratios analysis shows that the company does not take advantage of long-term lending, so has the availability of additional reserves of efficiency gains through borrowing.

PART 2. STUDY OF COMPETITIVENESS LEVEL OF LLC “BUS TOUR” IN INTERNATIONAL MARKETS

2.1. Analysis of environmental factors, that influence international activity of LLC “BUS TOUR”

Transport companies operating in the market of freight forwarding services are logistics operators, which provide cargo owners with a list of services they require. Currently, more than 200 transport companies operate in this segment of the Kiev region. These include regional usually small companies; capital companies with a network of branches in Ukraine; foreign operators of logistic services having branches not only in Ukraine but also in Europe, Asia and other countries. The list of services provided may include: transportation by different types of transport, freight forwarding, registration of customs and other accompanying documents, customs clearance of import and export cargoes, warehousing services, loading and unloading operations, different types of packaging, the formation of pre-shipment cargo, the development of optimal transport schemes, control of cargo in transit, etc.

LLC “BUS TOUR” PESTEL analysis is a strategic tool to analyze the macro environment of the organization - political, economical, social, technological, environmental and legal factors that impact the macro environment of Swift Transportation Company [24]. Changes in the macro-environment factors can have a direct impact to each player in the Trucking. PESTEL analysis provides great detail about operating challenges LLC “BUS TOUR” will face in prevalent macro environment other than competitive forces. After all factors that can influence the sales and profits of the company are selected, it is necessary to assess the strength of the influence of each factor. The strength of the influence of the factor is evaluated on a scale of 1 to 3 (Table 2.1), where: “1” - the influence of the factor is insignificant: any change in the factor practically does not affect the activities of the company; “3”- the influence of the factor is critical (high): any fluctuations cause significant changes in the company's sales and profits;

Table 2.1

PESTEL-analysis of the LLC “BUS TOUR”

Factors	Factor Influence Strength (1-3)	Direction of influence of the factor	Expert rates					Average rate	Weighted Score
			1	2	3	4	5		
Political factors									
Political instability and importance of Trucking sector in the country's economy.	3	-	1	2	2	1	1	1,4	0,07
Risk of military invasion	3	-	5	4	3	5	4	4,2	0,21
Level of corruption - especially levels of regulation in Services sector.	2	-	2	1	1	2	2	1,6	0,05
Bureaucracy and interference in Trucking industry by government.	3	-	2	1	1	3	3	2	0,10
Trade regulations & tariffs related to Services	3	+	4	5	3	4	5	4,2	0,21
Favored trading partners	2	+	3	3	4	2	3	3	0,10
Pricing regulations	1	+	4	4	5	3	3	3,8	0,06
Taxation - tax rates and incentives	2	-	4	3	4	2	3	3,2	0,11
Mandatory employee benefits	1	-	3	4	4	3	3	3,4	0,06
Economic factors									
Government intervention in the free market and related services	1	-	5	4	4	3	4	4	0,07
Exchange rates & stability of Ukrainian currency.	3	+	3	4	3	3	4	3,4	0,17
Infrastructure quality in trucking industry	3	-	2	1	2	2	1	1,6	0,08
Skill level of workforce in Trucking industry.	2	+	5	4	5	3	4	4,2	0,14
Labor costs and productivity in the economy	1	+	5	5	4	4	4	4,4	0,07
Economic growth rate	2	+	2	1	1	2	2	1,6	0,05
Transit position of Ukraine	2	+	5	5	4	5	4	4,6	0,15

Continuation of Table 2.1

Factors	Factor Influence Strength (1-3)	Direction of influence of the factor	Expert rates					Average rate	Weighted Score
			1	2	3	4	5		
Social factors									
Demographics and skill level of the population	3	+	3	4	4	3	3	3,4	0,17
Education level as well as education standard in the LLC "BusTour"	3	+	3	4	4	5	5	4,2	0,21
Culture (gender roles, social conventions etc.)	1	+	2	1	1	2	1	1,4	0,02
Technological factors									
Recent technological developments by competitors in other countries	3	-	5	4	4	3	4	4	0,20
Cost structure in Trucking industry	3	-	5	5	5	5	5	5	0,25
Value chain structure in Services sector	2	-	5	5	4	5	4	4,6	0,15
Environmental factors									
Climate change	1	+	5	5	5	4	4	4,6	0,08
Laws regulating environment pollution	3	-	3	4	5	5	4	4,2	0,21
Air and water pollution regulations in Trucking industry	2	-	2	2	3	3	3	2,6	0,09
Legal factors									
Anti-trust law in Trucking industry and overall in the country.	1	4	5	4	4	5	4,4	0,07	4
Consumer protection and e-commerce	3	3	4	4	3	3	3,4	0,17	3
Employment law	2	5	4	4	4	4	4,2	0,14	5
Total								60	

Source: developed by the author on the basis of [annex A, B]

Political factors play a significant role in determining the factors that can impact LLC "BUS TOUR" long term profitability in Ukrainian and international market.

LLC “BUS TOUR” is operating in Ukraine but transports cargo to more than 12 countries and expose itself to different types of Ukraine political environment and political system risks and political environment and law in other countries. Analyzing the influence of political factors on the enterprise, we can conclude that the influence of these factors is mainly negative: economic instability, the threat of war, as well as imperfect legislation in the field of cargo transportation lead to a decrease in enterprise income.

When evaluating economic and social factors, we can see a positive impact on the company. This is due to the steady gradual growth of economic indicators of Ukraine in the last 3 years (compared to 2014-2015) - the volume of production and export, which increases the demand for freight transportation in the country. The dollar and euro appreciation against the hryvnia also have a positive effect - as transportation prices are relatively stable in foreign currency, but the main costs of the LLC “BUS TOUR” (for workers' wages and fuel) are spent in UAH. Also, as the level of education increases, the company receives skilled workers. At the same time, the current state of transport infrastructure in Ukraine is considered by most experts to be unsatisfactory. This is evidenced by a comparison of the main ones indicators of transport security of some European countries with Ukrainian ones [26].

In terms of road security, Ukraine is quite different from other countries. Being larger in area than France and Germany, Ukraine has respectively 5,6 and 3,8 times less motorways. If we take into account the density of roads, it remains far behind (Table 2.2).

Table 2.2

Comparison of transport security in some European countries

Country	Area, thousand km	Road length, thousand km	Road density, km / thousand km ²
Ukraine	603,7	169,4	280,6
Poland	312,6	424	1355,9
France	551,6	951,5	1749,1
Germany	357	644,5	1805,3
Spain	307,6	681,2	1349,5
Italy	301,2	487,7	1618,7

Source: developed by the author on the basis of [7]

Of the total length of public highways, 5% account for international roads within the European Network, 3% for national roads, 4% for regional. Total length of roads of national importance is 20,2 thousand km, road has an important role for transportation industry. However, these roads do not meet European standards by many criteria: in particular, the speed of movement, the availability of complex service points service, technical and medical assistance, telecommunication facilities. Only 2,5 thousand km of roads of national importance are built on parameters the first category, which involves four or more lanes and high-speed traffic [7].

The use of transit potential in Ukraine and the diversification of inbound tourism development are also crucial territorial and district roads. Their length is, respectively, 30.6 thousand km (18% of the length of all highways of Ukraine) and 86 thousand km (50.6% of Ukrainian highways). In overwhelmingly, they do not meet the current requirements for both technical condition and level of equipment.

Considering technological factors, we can conclude that their impact on the company is negative in terms of the development of European competing companies - they are successfully moving towards the introduction of autopilots, which can significantly reduce transportation costs, but at the same time, the development of science has enabled the company to introduce GPS-navigators in 80% fleet, which is a significant step forward in terms of optimizing the transportation process. Environmental factors affect the company indirectly - given that a significant amount of transported goods - agricultural products - the crop directly depends on climatic changes and weather conditions, which will create demand for export transportation of crops, which are in excess and, accordingly, create demand for directions from which it will be possible to import products that were in short supply (for example, in 2019 - due to the poor harvest of potatoes, the company increased by 15% the number of turns of transport to Belarus and Russia for the transportation of potatoes). The growth of e-commerce increased the volume of purchases, which in turn leads to an increase in demand for the transportation of these goods for the company, opening up opportunities for new directions and increasing the volume of deliveries. Speaking about employment law - at the moment, to increase the speed of transportation of goods, drivers are periodically on the road and

do not return home for up to a month, with their possible protest to expand their rights or increase salaries - the company may receive significant losses.

The results of the SWOT analysis of the LLC “BUS TOUR” are presented in Table 2.3. From the presented data it follows that in the presence of weaknesses and threats from the external environment, LLC “BUS TOUR” has real opportunities for development and strengthening their competitive position.

Table 2.3

SWOT-analys of the LLC “BUS TOUR”

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Highly qualified staff; 2. Wide range of services provided; 3. Quality of services rendered; 4. Availability of warehouse terminal; 5. Introduction of new services; 6. Sustainable position in the market of logistics services; 7. Good reputation from customers; 8. The current image of the company; 9. Opportunity of expanding the list of services; 10. Opening of air transportation department; 11. Opportunity to improve the design and functionality of company’s own site. 	<ol style="list-style-type: none"> 1. There is no way to track the goods on the way, there is no client's personal office on the site; 2. Lack of own car park; 3. There is no air traffic department; 4. Small customer base; 5. Low market share; 6. Geographical coverage; 7. High fleet maintenance costs; 8. Absence sms and e-mail notification about the status of the cargo.
Opportunities	Threats
<ol style="list-style-type: none"> 1. An increase in the number of customers from the CIS countries and Asia; 2. A decrease in competition due to the departure of weaker competitors; 3. Increase in freight rates; 4. Increase in the number of potential customers; 5. Increase in company profits; 6. The emergence of new routes for the delivery of goods; 7. Benefits for medium-sized enterprises; 8. Reduction in the amount of gasoline draining by drivers; 9. A wide labor market with a sufficiently high level of professional education. 	<ol style="list-style-type: none"> 1. Increased competition; 2. Reduced profits due to higher cost of services compared to competitors; 3. The threat of new strong competitors; 4. Tax increase; 5. Dependency on customers; 6. Dependence on carriers; 7. Devaluation of the Ukrainian hryvnia - rising diesel prices; 8. Threat of militarization of the Ukrainian economy.

Source: developed by the author [25]

Thus, it should be noted that the creation of the air transportation department, reducing the interest rate on cargo insurance, the purchase of its own fleet under leasing,

the creation of a personal account on the website and free sms and / or e-mail notification of the status of cargo, as well as the expansion of warehouse space will allow to accept more cargo for responsible storage; expanding the geography of freight transportation will attract new customers, increase the sales of services and profits of the company.

With the help of the conducted PEST and SWOT-analysis we figured out that enterprise operate in an external environment characterized by a high degree of instability, failing to respond timely and inadequately to the occurring events occurring.

The conducted research shows that in order to increase the competitiveness of the company the next strategy should be implemented:

- expanding the list of services;
- reduction in the amount of gasoline draining by drivers;
- production of services of quality that would meet national and world standards;
- use reasonable promotion policy to increase market share;
- increase own car park;
- improve the design and functionality of the site;
- analysis of competitors to identify their strengths and weaknesses;
- create sms and e-mail notification about the status of the cargo;
- investments in researches aimed at improving service quality.

So introduced development strategy will allow the enterprise to use and develop competitive advantages effectively, which will allow to reduce costs of the company and to increase market share, which will reduce the influence of negative factors on the further activity of the enterprises and increase their level of competitiveness.

2.2. Assessment of the competitiveness of LLC “BUS TOUR” in the foreign market

Today there are many logistics providers that assure comprehensive services for the delivery of goods. These services are commonly referred to as 3PL logistics. The company LLC “BUS TOUR” belongs to 3pl operators, but the main service provided is the transportation of cargo. The competitive environment is the result and conditions of interaction of a large number of market players which determine the appropriate level of economic rivalry and the possibility of influence of individual economic agents on the overall market situation. It is important that the competitive environment is formed not only and not so much by market actors whose interaction causes rivalry, but first and foremost by the relations between them [13, p. 311]. The target audience of this company are small and medium-sized enterprises wishing to deliver single or periodic delivery of goods by road. The main place of rendering of services - the countries of Europe, and also the CIS. Since the company is represented on the Internet, absolutely any company, including a foreign company, can use its service. The main competitors of Ukrainian companies and in particular LLC “BUS TOUR” are transport companies from Poland and Belarus, whose main clients are also the companies from Ukraine, Belarus and CIS countries.

As one of the methods of assessing competition in the market, a matrix method of estimation was chosen - the model 5 forces of competition of M. Porter. Michael Porter observed five forces that have significant impact on a firm's profitability in its industry. These five forces analysis today in business world is also known as -Porter Five Forces Analysis. The Porter Five Forces are:

- Threat of New Entrants;
- Bargaining Power of Suppliers;
- Bargaining Power of Buyers;
- Threat from Substitute Products;
- Rivalry among the existing players.

Due to the growing demand for freight transportation, the market remains extremely promising, which attracts new participants. New entrants in trucking brings innovation, new ways of doing things and put pressure on LLC “BUS TOUR” through lower pricing strategy, reducing costs, and providing new value propositions to the customers.

The ways LLC “BUS TOUR” can tackle the threats of new entrants:

- by innovating new products and services. New products not only brings new customers to the fold but also give old customer a reason to use LLC “BUS TOUR” services: the company may begin to provide services in the field of freight forwarding by sea and railway transportation, because some goods must be delivered by two modes of transport;
- spending money on research and development of existing fleet.

All most all the companies in the Trucking industry buy their raw material from numerous suppliers. Suppliers in dominant position can decrease the margins LLC “BUS TOUR” can earn in the market. Powerful suppliers in services sector use their negotiating power to extract higher prices from the firms in trucking field. The overall impact of higher supplier bargaining power is that it lowers the overall profitability of trucking.

The ways LLC “BUS TOUR” can tackle bargaining power of the suppliers:

- by building efficient supply chain with multiple suppliers;
- at the moment, the main suppliers are Ukrainian companies, mainly resellers, as an option it is possible to consider suppliers of Belarus and Poland, directly from factories.

Consumer demand is changing due to their desire to buy the best offerings available by paying the minimum price as possible. This put pressure on LLC “BUS TOUR” profitability in the long run. The smaller and more powerful the customer base is of LLC “BUS TOUR” the higher the bargaining power of the customers and higher their ability to seek increasing discounts and offers.

The ways “BUS TOUR” can tackle the bargaining power of buyers:

- By building a large base of customers. It will reduce the bargaining power of the

buyers plus it will provide an opportunity to the firm to streamline its sales;

- Saving current customers due to the level of service: in this industry, small companies are characterized by an unbalanced groupage cargo transportation system and temporary delays in cargo delivery. Clients are looking for a stable company, where they will be as confident as possible in the quality of services, which is possible due to serving a small number of regular customers.

For the company LLC “BUS TOUR”, these are alternative types of cargo transportation: air, railway. At the moment, they are not a significant threat due to the high cost of air transportation and the difficulties of railway transport: the lack of railway car in Ukraine and the complexity of delivery to European countries due to differences in rails of Ukraine and other European countries.

If the rivalry among the existing players in an industry is intense then it will drive down prices and decrease the overall profitability of the industry. LLC “BUS TOUR” operates in a very competitive trucking industry. This competition does take toll on the overall long term profitability of the organization.

The ways LLC “BUS TOUR” can tackle intense rivalry among the existing competitors in trucking industry: by building scale so that it can compete better; collaborating with competitors to increase the market size rather than just competing for small market.

By analyzing all the five competitive forces LLC “BUS TOUR” strategists can gain a complete picture of what impacts the profitability of the organization in trucking industry.

Second method of assessing competition in the market: using an integrated indicator of the competitiveness of a transport enterprise according to the methodology of NIIAT: an integral indicator of the competitiveness of a transport enterprise (K_o), is determined as the weighted average of the obtained coefficients [3]:

$$K_o = (K_{ds} + K_k + K_p + K_t + K_n) / N \quad (2.1)$$

The value of each indicator is determined according to the data of the motor transport company for the period under review and estimated by the competitiveness coefficient of this indicator. Total Integrated Score the competitiveness of the whole

trucking company K_o is defined as the weighted average coefficients obtained; N means the number of indicators; K_{ds} – demand and supply competitiveness coefficient; K_k - coefficient of the quality of transport services; K_p - coefficient of competitiveness of the ratio of income and expenses; K_t - coefficient in terms of the number of types of transportation and services; K_n - coefficient competitiveness of load capacity of the cars.

1) The demand and supply coefficient (K_{ds}) of the transport company is calculated as follows:

$$K_{ds} = (Q_s / Q_d) / 1,25 \quad (2.1)$$

If the value of the coefficient of supply and demand K_{ds} is more than 1.25, then the company is competitive in this indicator, if less than one, then uncompetitive.

2) To determine the competitiveness coefficient of the quality of transport services K_k , it is necessary evaluate the quality of service. When the specialization level of vehicles declared by the consumer is 100%, the coefficient competitiveness K_c for this indicator is equal to one. At the level of transportation according to the schedule agreed with shippers and consignees at 100%, the competitiveness coefficient K_{gr} will also be equal to one. When specializing freight transportation on schedule less than 50%, the enterprise for this indicator will be uncompetitive. The aggregate coefficient characterizing the ability of a trucking company to carry out transportation on qualitative level, is defined as the half-sum of these coefficients:

$$K_k = (K_c + K_{gr}) / 2 \quad (2.3)$$

3) The coefficient of competitiveness of the ratio of income and expenses K_p for the transportation of goods shows: if the ratio of revenues and expenses of the trucking company is 1,3 or more, then competitiveness with the position of the ratio of income to expenses K_p equals one. With a ratio of income to expenses less - transportation company is recognized as uncompetitive. The coefficient of competitiveness of the ratio of income and expenses K_p is determined by the formula:

$$K_p = (I / E) / 1,3 \quad (2.4)$$

Where I - income for a certain period, p .; E - expenses for the same period, p .; 1.3 - the ratio of income and expenses when coefficient $K_p = 1$.

4) To determine the competitiveness coefficient in terms of the number of types of transportation and services K_t , performed by transportation company, we proceed from the existing market of transportation services in European area: The highest competitiveness coefficient $K_t = 1$ have enterprises, carrying out three or more types of transportation, with two types of $K_t = 0,8$, with one form of $K_t = 0,6$.

5) With an average actual load capacity of the cars, which coincides with the rational load capacity, the transportation company should be considered relevant to the conditions of transport, and the coefficient competitiveness $K_n = 1$. When the actual average payload of a rational fleet of vehicles is less than 50%, the enterprise on this indicator should be recognized as uncompetitive, and the coefficient $K_n = 0,45$.

To determine the competitiveness of the company LLC "BUS TOUR" in the foreign market polish transport companies have been selected: LLC "Ivatro" and LLC "Targor-Truck" (table 2.4). The choice of companies was related to the relative similarity of the niche occupied by the companies: they only work with cargo transportation by road. The main customers are companies in Ukraine, Belarus, Poland. And by the size of their own fleet, all 3 companies are small - up to 50 units. Data for calculation integral coefficients of competitiveness of transportation companies are represented in table 2.4.

Table 2.4

**Initial data for calculating the level of competitiveness for
LLC "BUS TOUR" in 2018 year**

Initial data	Transportation companies		
	BUS TOUR	Ivatro	Targor-Truck
Possible traffic, tons (Qs)	5487	2418	1294
Volume accepted, tons (Qd)	4392	1736	1089
Scheduled traffic, tons	336	151	253
Income, thousand euro(I)	192,8	65,5	63,9
Cost of sales, thousand euro (E)	177,6	42,7	51,6
Listed number of cars, units	41	15	34
Number of types of transportation	1	1	1
The average load of the park, tons	11,2	9,2	8,7

Source: developed by the author on the basis of enterprises documentation [3]

The result of calculations of indicators on the areas of competitiveness assessment of companies is presented in table 2.5. It is based on the calculations of the

initial indicators according to the data of the transportation companies.

Table 2.5

Summary table of integral coefficients of competitiveness of transportation companies

Coefficient	Competitive score		
	BUS TOUR	Ivatro	Targor-Truck
Kds	0,99	1,11	1,18
Kk	0,28	0,13	0,38
Kp	1,01	1,17	0,95
Kt	0,6	0,6	0,6
Kn	0,6	0,83	0,82
Ko	0,696	0,768	0,786

Source: developed by the author [3]

The final results (Table 2.5) show that LLC “BUS TOUR”, LLC “Ivatro” and LLC “Targor-Truck” have integral competitiveness indicators, respectively 0,696; 0,768; 0,786. Their level of competitiveness in market of transportation services in the European region is high. And for increasing competitiveness level LLC “BUS TOUR” have to reduce cost of sales, take action to increase scheduled traffic and increase the number of types of cargo transportation.

CONCLUSIONS TO PART 2

There are a lot of factors of the external and internal environment that have an impact on the activity of LLC "BUS TOUR". In order to analyze factors that influence international competitiveness of LLC "BUS TOUR" SWOT and PESTEL analysis were developed. With the help of the conducted PESTEL and SWOT-analysis we figured out that enterprise operate in an external environment characterized by a high degree of instability, failing to respond timely and inadequately to the occurring events occurring.

According to the results of PESTEL -analysis of the company, we can conclude that from the external environment the greatest negative impact has government intervention in the free market and related services and political instability. But the greatest positive impact has importance of trucking sector in the country's economy and transit position of Ukraine. When evaluating economic and social factors, we can see a positive impact on the company. This is due to the steady gradual growth of economic indicators of Ukraine in the last 3 years - the volume of production and export, which increases the demand for freight transportation in the country.

Conducting SWOT analysis of the company we can conclude that the main opportunities for the company is to expanding the list of services; reduction in the amount of gasoline draining by drivers; production of services of quality that would meet national and world standards; use reasonable promotion policy to increase market share; increase own car park; improve the design and functionality of the site; analysis of competitors to identify their strengths and weaknesses; create sms and e-mail notification about the status of the cargo; investments in researches aimed at improving service quality. And the main problems are increased competition; reduced profits due to higher cost of services compared to competitors; the threat of new strong competitors; tax increase; dependency on customers; dependence on carriers; devaluation of the ukrainian hryvnia; rising diesel prices; threat of militarization of the Ukrainian economy.

Research on the content of the concept of "competitiveness of the company" shows the multidimensionality of its interpretation. Competitiveness is a complex

category, which is determined by the result of effective economic activity in a competitive market and is reflected by the performance of the company, due to the competitiveness of services. When using competitiveness assessment methods, a differentiated approach is required, whereby the most complete information can be obtained using several valuation methods.

The analysis of the competitiveness of the transportation enterprises has shown that LLC “BUS TOUR” is quite competitive. According to the assessment of the competitiveness of enterprises LLC “BUS TOUR”, LLC “Ivatro” and LLC “Targor-Truck” have integral competitiveness indicators, respectively 0,696; 0,768; 0,786. Their level of competitiveness in market of transportation services in the European region is high. And for increasing competitiveness level LLC “BUS TOUR” have to reduce cost of sales, take action to increase scheduled traffic and increase the number of types of cargo transportation.

PART 3. AREAS OF IMPROVEMENT OF LLC “BUS TOUR” COMPETITIVE POSITION ON THE FOREIGN MARKET.

3.1. Development of measures of improvement of company’s competitive position in the logistic market

In the dynamic conditions of the intensification of competition, the consumers needs are rapidly increasing, competitors positions are strengthened, and the timing of the introduction of innovative technologies is constantly decreasing. Sustained growth of enterprise competitiveness and, as a consequence, strengthening of competitive positions in the market is impossible without a carefully designed organizational and economic model for managing the competitiveness of an enterprise based on an integrated mechanism for the realization of its competitive advantages [22].

An enterprise must know to what extent it is competitive in relation to other entities in the market, since a high degree of competitiveness is a guarantee of obtaining high economic performance and providing it with survival in conditions of severe competition. By the level of competing economic objects one distinguish the competitiveness of the industry, enterprise, goods [23].

After analyzing a number of transportation enterprises, it was discovered that strategic directions of increasing the competitiveness of LLC “BUS TOUR” are considered in the following:

- 1) development of new types of transportation;
- 2) measures to reduce costs;
- 3) reasonable promotion.

When characterizing the logistics outsourcing market, one cannot ignore the role of international corporations in intensifying the development of this logistics segment.

According to the estimates of the consulting company SJ Consulting Group (USA), in 2016, the revenues of the 50 largest logistics operators in the world amounted to \$ 230 billion, which is 1,2% more than the result of 2015 (226,6 billion dollars). Moreover, this happened against the background of a decrease in freight rates for sea

transportation as a result of an increase in the supply of services in the market. According to analysts at SJ Consulting.

The growth of activity and income of a number of companies that are in the TOP-50 is associated not so much to an increase in the volume of business operations, but to an increase the number of mergers and acquisitions that occurred at this time in the market (Table 3.1). The growth of mergers and acquisitions by large companies of smaller firms has led to an increase in the share of the former in the world market. For example, the Danish company DSV, which took 5th place in the TOP 50 rating of contract logistics companies in 2016, increased its revenue by 33% after the acquisition of UTi Worldwide.

Table 3.1

Large mergers and acquisitions during recent years

Buyer	Income, 2014 year (billion Euro)	Company purchased	Income, 2014 year (billion Euro)	Transaction value (billion Euro)	Acquisition purpose
DSV	6,50	UTi Worldwide	3,20	1,00	<ul style="list-style-type: none"> • Regional diversification • Diversification of business models • Low stock price • Productivity Growth
Kintetsu World Express	2,30	APL Logistics	1,40	1,00	<ul style="list-style-type: none"> • Regional diversification • Advanced business models • Diversification of customers • Scale up business
Japan Post	103,00	Toll Group	5,90	5,90	<ul style="list-style-type: none"> • Diversification in logistics • Regional expansion
XPO Logistics	1,70	Norbert Dentressangle	4,60	3,20	<ul style="list-style-type: none"> • Regional expansion

Source: [12, p.23]

Based on the experience of larger companies, it can be concluded that investing in the introduction of new types of transportation, as well as increasing the niche in the market for LLC “BUS TOUR” can be replaced by consolidation of enterprises. One of the ways of such cooperation is strategic alliances, which are a set of relationships between partners based on long-term obligations that guarantee mutual benefit. A type of strategic alliance is a partnership in supply - this is "ongoing relationships between

companies, providing for long-term obligations of each of the parties and the availability of general information, risk and rewards received as a result of these relationships."

The main tasks of organizing and managing logistics chains. Organization and management of a business based on the SCM concept includes four main aspects:

- integration of all partners of the value chain to solve common problems based on the organization of inter-company cooperative relations;
- modeling and reengineering of key business processes;
- development of principles of construction and structure of an integrated planning and management system;
- creation of an information technology concept for SCM [2].

The advantages of establishing this type of partnership include the fact that cooperation for a long time allows company to invest in improving companies operations, i.e. their quality will constantly improve.

The cost of transportation is one of the main parameters affecting the performance of a trading company. In order to reduce the cost of transportation LLC "BUS TOUR" can use the following methods that have proven their efficiency:

- the use of optimal fuel consumption rates for each truck, taking into account the truck category, work performed, operating conditions and a number of factors;
- increasing the utilization rate of the truck, which includes the optimal loading of each specific car, establishing the optimal route and speed;
- reduction of costs for technical maintenance and repair of the fleet without loss of quality of work;
- improvement and automation of loading methods for unloading cars, which significantly reduces downtime;
- increasing labor productivity at all levels;
- professional development of employees of the enterprise due to additional training and various trainings;

- continuous material incentives for LLC “BUS TOUR” employees aimed at ensuring the careful and competent use of the enterprise’s material assets.

Speaking about reasonable promotional communication, we can place company’s advertisements on the tents of trucks with company’s phones. Only numbers should be easy to remember. Cars will travel around the city and the country, which means that information about company will constantly flash before the eyes of passers-by.

There is also a proposal for the introduction of advertising over the Internet. Advantages of Internet marketing:

1. Promotion on the Web is relatively inexpensive.
2. Great audience reach.
3. The ability to quickly feedback.
4. Full demonstration of the goods.
5. Online advertising is less annoying. Web users are offered short advertisements that can be closed at any time. Because of this, they are more disposed to themselves and do not cause sharp negative emotions [31].

Recently, new technical means have appeared on the market - satellite transport monitoring systems (GPS monitoring systems). With their help, it is possible to determine the location of an object (car, ship, container, etc.) with an accuracy of several meters, as well as obtain the readings of sensors installed on the object (for example, fuel consumption sensors or opening / closing the cargo compartment). If the car or container is equipped with a GPS monitoring system, company can find out where it is he who is at this moment and restore his entire previous route [32].

The system can be configured in such a way that it automatically informs the dispatcher about the deviation of the object from a predetermined route or about the operation sensors (for example, opening / closing a container or cargo compartment). In case of car theft, it remains possible to track the route of its movement and take appropriate measures. Inappropriate or inefficient use of the fleet: permanent or selective monitoring of routes, comparing them with those specified in the waybills, analyzing the vehicle’s mileage makes it easy to identify (and present convincing evidence) inappropriate use of vehicles, or, as they say, “left flights”. Moreover, this

can be done almost immediately, at the time of deviation from the route, and after a while - the entire history of movements is stored in the database. If the GPS monitoring system is equipped with a logistics module, then it is able to optimize regular routes in terms of minimum total mileage and delivery time.

Company managers can connect standard or special fuel consumption sensors to the GPS monitoring system and get full information about the actual fuel use, places, time and amount of refueling and discharge. This information is presented in the form of summary reports and easily allows you to identify almost all known theft schemes, from trivial drain to sophisticated options for conspiracy with gas station staff.

Moreover, the analysis of fuel consumption during movement allows company to identify the facts of refueling with low-quality fuel and take appropriate measures. Thus, the introduction of GPS monitoring systems can significantly reduce the risks and costs that arise in the trucking business.

Introduction to the company's website of the online order for the carriage of goods, where the client can independently calculate the cost of the service, the duration of the carriage, and familiarize themselves and draw up a contract for carriage can simplify the work of the company and save money.

An online order will work in the following way:

Customer's action:

1. The customer pre-orders;
2. Concludes an agreement with a transport company;
3. Signs the document using electronic signature;
4. Sends this contract to the company's email.

Company's action:

1. Familiarization with the model contract;
2. Search for suitable vehicles;
3. Confirmation of crediting funds;
4. Sends the contract signed by electronic signature to the client for the report;
5. Sending the car for loading;
6. Informing about sending the car for loading.

Thus, at this stage, there are several proposals for optimizing the company's activities, according to the process of internal and external integration, organizations can make their supply chain more sophisticated and thus maximally satisfy the ever-increasing needs of the end user. The application of the concept of integrated interaction of counterparties in the supply chain allows you to obtain optimal solutions, including reducing the time of order execution, improving the quality of logistics services, minimizing the overall logistics costs.

To reduce hidden costs, modern international and intercity carriers resort to the use of satellite monitoring of their vehicles. With the timely receipt of accurate and objective information, managers have the opportunity to make informed management decisions - quickly, without loss of time, for example, at meetings and calling subordinates.

3.2. Forecast of the effect of proposed measures for LLC “BUS TOUR”

For the company LLC “BUS TOUR”, several options were proposed, as a result of which the costs of organizing freight transportation should be reduced, as well as as a result of which we can get an increase in profit.

1) The economic efficiency of the GPS monitoring system can be calculated at an enterprise with a fleet of 50 cars. The calculations will be carried out on the basis that the average mileage of the fleet, after the implementation of the GPS monitoring system, is reduced by at least 5%. At the same time, the driver will not take into account the fuel drain factor. Calculation of cost-cutting effect from implementation GPS monitoring system is presented in the table 3.2.

Table 3.2

Forecast of cost-cutting effect of proposed implementation of GPS monitoring system for LLC “BUS TOUR” (by reducing fuel costs)

Details	Data
Average mileage of one truck, km / month	5000
Mileage, reduced with GPS-monitoring, %	5
N trucks	50
Normalized fuel consumption, liters per 100 km	30
The cost of a liter of fuel, grynvas	28
Monthly savings, grynvas	$5000 \cdot 0,05 \cdot 50 \cdot 0,3 \cdot 28 = 105000$
Annual savings, grynvas	$105000 \cdot 12 = 1260000$

Source: developed by the author [3]

Reducing the mileage of vehicles is achieved, firstly, due to more efficient operational management of transportation, transport logistics. The dispatcher, who has before his eyes a complete picture of the locations of the cars, in what state is the execution of orders issued to the driver, is able to optimally load vehicles. There is a sharp decrease in losses caused by fuel theft, mileage registry, misuse of vehicles and other abuses of drivers.

Using the GPS monitoring system, dispatchers will always know exactly the current location and condition of company's trucks. In turn, this will reduce labor costs (increase the efficiency of the use of working time of dispatchers and drivers), as well as reduce the number of calls and, accordingly, the cost of cellular communications by

more than 50%. Results of this implementation are calculated in table 3.3. An example, again based on a staff of 50 drivers:

Table 3.3

Forecast of cost-cutting effect of proposed implementation of GPS monitoring system for LLC “BUS TOUR” (by reducing cellular costs)

Details	Data
Monthly expenses for mobile communication with 1 driver, gryvnas	65
Quantity of drivers	50
Monthly savings, gryvnas	3250
Annual savings, gryvnas	42250

Source: developed by the author [3]

Reducing the mileage of vehicles allows, in turn, to reduce the cost of its scheduled maintenance, which will have to be done much less frequently. Results of this implementation are calculated in table 3.4. From the previous example, 800 km. per month of saved mileage with a fleet of 50 cars as a result will give the following economic indicators:

Table 3.4

Forecast of cost-cutting effect of proposed implementation of GPS monitoring system for LLC “BUS TOUR” (by reducing trucks maintenance costs)

Details	Data
Monthly saved mileage for 1 truck	800
Quantity of trucks	50
Quantitative of maintenances, for 10000 km	1
Saved maintenances	$800 \cdot 50 / 10000 = 4$
Average cost of maintenance per truck per month, gryvnas	26000
Monthly savings, gryvnas	$26000 \cdot 4 = 104000$
Annual savings, gryvnas	1248000

Source: developed by the author [3]

To calculate the overall effect of the implementation of GPS monitoring system, it is not necessary to calculate the overall effect of the savings and compare with the costs of using this system. The calculations of the forecast profit increase due to the introduction of GPS monitoring system presented in the table 3.5.

Table 3.5

Forecast of cost-cutting effect of proposed implementation of GPS monitoring system for LLC “BUS TOUR”

Details	Data
Cost of implementing GPS monitoring system for 1 truck	17000
Quantity of trucks	50
Subscription fee per month for 1 truck, gryvnas	360
Annual costs for installation and maintenance, gryvnas	(17000+360*12)*50=1246000
General annual savings, gryvnas	1260000+42250+1248000=2550250
Annual profit from the implementation of GPS-system, gryvnas	2550250-1246000=1304250
Payback period, working days	176
Operating profit of company LLC "BUS TOUR" in 2018 year, gryvnas	1763000
Operating profit with implementation of GPS-system, gryvnas	3008000
Relative deviation, %	41,5%

Source: developed by the author [3]

Based on forecast of cost-cutting effect of proposed implementation of GPS monitoring system, with implementation of proposed measure, company can increase the operating profit by 41,5%.

2) It's advisable for the advertiser to set up performance tracking advertising. This will provide information on the feasibility. Advertising and the effectiveness of its individual funds, determine the conditions optimal exposure to advertising. Absolutely accurately determine the effectiveness of individual funds advertising, advertising campaign in most cases is not provided possible. However, rough estimates are justified. Cost-effectiveness of advertising depends on its degree psychological effects on humans.

Economic efficiency is most often determined by measuring its impact on revenue development. The most accurate determination of the effect of advertising is possible only if the increase in revenue occurs immediately after exposure to advertising. This is most likely in cases of advertising services. To identify the extent to which advertising has affected revenue growth, operational and accounting data are analyzed. Additional turnover under the influence of advertising determined by the formula:

$$T_d = (T_c * P * D) / 100 \quad (3.1)$$

where TD - additional revenue under the influence of advertising, gryvnas;

TS - the average annual revenue before the advertising period, gryvnas;

P - the increase in average daily turnover for advertising and post-advertising periods,%;

D - the number of days of accounting for turnover in advertising and post-advertising periods;

The cost-effectiveness of advertising can also be judged by the economic result that was achieved from the application advertising tool or an advertising campaign. The economic result is determined by the ratio between profit from additional revenue generated by advertising, and its expenses.

To calculate the economic effect, you can use the following the formula:

$$E=TD*Nt/100-(Up+Ud) \quad (3.2)$$

where E is the economic effect of advertising, gryvnas;

TD - Additional revenue under the influence of advertising, gryvnas;

Nt - trade margin on the product, in% of the sale price;

Up - Advertising costs, gryvnas;

Ud - Additional expenses for revenue growth, gryvnas.

The average trade allowance for an enterprise is 33%. To improve the marketing situation, the enterprise needs place ads on where a person will certainly hear or see. Our version of advertising is posting own cars with “BUS TOUR” emblems.

Costs will be 30000 gryvnas. Advertising costs for the 1st quarter amounted to 90000 gryvnas.

Additional expenses for revenue growth amounted to 30000 thousand gryvnas.

Thus, the economic effect of an advertising company is:

$$1200 * 0,33 - (90 + 30) = 276000 \text{ gryvnas.}$$

The economic effect of an advertising campaign is more than the cost of advertising ($90 < 276$), therefore this advertising campaign is profitable for the enterprise.

Integrated logistics is designed to manage the flows of the logistics system passing through all its stages. In practice, this is consistent with the structural division

according to the principle of functionality (supply, production, storage, distribution, etc.). The process of forming a logistics system is based on ensuring and maintaining the product life cycle from concept to liquidation.

Integrated supply chains contain five performance indicators:

- communication with suppliers;
- communication with consumers;
- technological processes within one unit;
- logistic processes between departments within the enterprise;
- logistic relations between enterprises in the supply chain.

Such systems are aimed at a significant reduction in costs by accelerating capital turnover, reducing lead times, and coordinating work with a network of suppliers.

One of the important decisions (comments of the Ground Logistics transport company) on expanding the scope of services is the organization of transportation of groupage cargoes. Groupage cargo transportation is one of the ways to reduce costs for a client. Transportation costs, as a rule, are always a significant item in any company. The opportunity to reduce them is a good chance to increase the competitiveness of your business. Trucking groupage cargoes, which in recent years have become increasingly popular, allows the shipper to save significantly. The main advantages of groupage cargoes are not only that the shipper spends less money, but also receives the delivery of goods directly to their destination, mobility and speed of transportation. Groupage cargo is also a time saver, that is, there is no need to accumulate cargo in a large amount, in contrast, for example, from railway transport.

The organization of groupage cargo transportation is a separate large area of the cargo transportation business, it is a combination of transport logistics and warehouse logistics. The organization of groupage cargoes requires significant initial investments in the provision of warehouse storage and processing of received goods. However, these investments are justified. The transport company needs to determine the direction of transportation of groupage cargo, as at first it was impossible to cover all areas of Russian regions. The size of investments for business expansion during the crisis will be

minimal, so for starters it is enough to start with one direction of transportation of groupage cargoes.

One option is the cooperation of two or more transport companies in different regions of Ukraine, each of which will process its own unit of the supply chain of groupage cargoes. This decision will reduce the cost of maintaining the warehouse.

Summarizing the above, we note that the principles and methods of integrated logistics are aimed at obtaining optimal solutions, in particular by minimizing the overall logistics costs of the company. Therefore, it becomes clear that reducing all types of costs associated with material flow management, transportation, warehousing, order, procurement and inventory management, packaging, and reducing logistics risks allows the company to free up financial resources for additional investments in warehouse equipment, information and computer systems, advertising, marketing research, etc. At the same time, the optimal decisions made by the management of the company - the logistic integrator, may not be made only by the criterion of minimum total costs, but also by such key indicators as lead time and quality of the logistics service.

CONCLUSIONS TO PART 3

Increasing the competitiveness of LLC “BUS TOUR” in the foreign market is possible under the conditions of implementation GPS monitoring systems. With their help, it is possible to determine the location of an object (car, ship, container, etc.) with an accuracy of several meters, as well as obtain the readings of sensors installed on the object. If the car or container is equipped with a GPS monitoring system, company can find out where it is he who is at this moment and restore his entire previous route.

The cost of transportation is one of the main parameters affecting the performance of a trading company. In order to reduce the cost of transportation LLC “BUS TOUR” can use the following methods that have proven their efficiency:

- the use of optimal fuel consumption rates for each truck, taking into account the truck category, work performed, operating conditions and a number of factors;
- increasing the utilization rate of the truck, which includes the optimal loading of each specific car, establishing the optimal route and speed;
- reduction of costs for technical maintenance and repair of the fleet without loss of quality of work;
- improvement and automation of loading methods for unloading cars, which significantly reduces downtime;
- increasing labor productivity at all levels;
- professional development of employees of the enterprise due to additional training and various trainings;
- continuous material incentives for LLC “BUS TOUR” employees aimed at ensuring the careful and competent use of the enterprise’s material assets.

Based on the experience of larger companies, it can be concluded that investing in the introduction of new types of transportation, as well as increasing the niche in the market for LLC “BUS TOUR” can be replaced by consolidation of enterprises. One of the ways of such cooperation is strategic alliances, which are a set of relationships between partners based on long-term obligations that guarantee mutual benefit.

Speaking about reasonable promotional communication, it would be beneficial for the company to place company's advertisements on the tents of trucks with company's phones. Only numbers should be easy to remember. Cars will travel around the city and the country, which means that information about company will constantly flash before the eyes of passers-by.

CONCLUSIONS

Based on the various logistics model types, the market is segmented into first party logistics, second party logistics, third party logistics, and fourth party logistics. Many retailers and manufacturers are recognizing logistics management as an important aspect globally. Moreover, logistics management is making an organization more competitive in terms of quality, cost, flexibility, and delivery. Due to these factors, organizations are now focusing on improving their logistics activities. Logistics offers many advantages such as reduction in operational cost, improvement in delivery performance, and increase in customer satisfaction levels.

Logistics outsourcing has been quite popular lately. It is the most optimal way to solve logistics problems for business structures. Logistic outsourcing implies that individual logistic functions are transferred to a specialized operator with both experience, means and a wide infrastructure to carry out the required operations.

The market for logistics services is developing steadily. In order to optimize the main logistics processes (significantly reduce inventory, speed up working capital turnover, reduce logistics costs, ensure the most complete satisfaction of consumers with the quality of goods and related services), companies are introducing integrated logistics management methods.

The balance sheet of LLC “BUS TOUR” was analyzed. In general, most of the solvency and financial performance met regulatory values. And there is positive trend in the change of indicators of 2016-2018, although there is relative stability. In general, the activity of the company may be evaluated as effective enough, because the most important indicators of financial position increased.

In order to analyze factors that influence international competitiveness of LLC “BUS TOUR” SWOT and PESTEL analyses were developed. According to the results of PEST-analysis of the company, we can conclude that from the external environment the greatest positive impact has impact on cost structure in trucking industry: the ability to implement new technologies into production, as the transportation industry has a high degree of technological equipment. Also, for Ukrainian enterprises, political factors have a high impact, due to which companies change trading partners, tariffs can be changed and it depends on stability of Ukrainian

currency, in the same way the profitability of the enterprise. According to SWOT-analyze company have strengths in current image and good reputation and weaknesses in undeveloped infrastructure and Threat of militarization of the Ukrainian economy But at the same time, the company has many opportunities in expanding the list of services, increase the amount of advertising and management of services and customer service.

The cost of transportation is one of the main parameters affecting the performance of a trading company. For improvement of company's competitive position in the logistic market the following measures were proposed:

- the introduction of new advertising on companies own trucks;
- implementation of GPS-navigators for the entire fleet of the company;
- to increase competitiveness and expand the volume of services provided

company can organize a joint venture with another transport company in the Kiev region.

Speaking about reasonable promotional communication, we can place company's advertisements on the tents of trucks with company's phones. Only numbers should be easy to remember. Cars will travel around the city and the country, which means that information about company will constantly flash before the eyes of passers-by.

With implementation of GPS-navigators it is possible to determine the location of an object (car, ship, container, etc.) with an accuracy of several meters, as well as obtain the readings of sensors installed on the object (for example, fuel consumption sensors or opening / closing the cargo compartment). If the car or container is equipped with a GPS monitoring system, company can find out where it is he who is at this moment and restore his entire previous route.

Based on the experience of larger companies, it can be concluded that investing in the introduction of new types of transportation, as well as increasing the niche in the market for LLC "BUS TOUR" can be replaced by consolidation of enterprises. One of the ways of such cooperation is strategic alliances, which are a set of relationships between partners based on long-term obligations that guarantee mutual benefit.

The possible effect of the proposed activities was evaluated and, based on its results, these actions will help significantly reduce the company's expenses, as well as expand the range of services provided, including other types of cargo transportation.

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Balance Sheet (Financial Statement) of LLC “BUS TOUR” during 2014-2018

Assets	Line code	For 31.12.14	For 31.12.15	For 31.12.16	For 31.12.17	For 31.12.18
1	2	3	4	5	6	7
I. Non-current assets						
Construction in progress	1005	0	0	0	0	0
Fixed assets:	1010	1345,9	1555,95	1701,85	1761,95	1722,75
initial value	1011	2858,5	3080,05	3239,35	3307,8	3283,95
accumulated depreciation	1012	-1512,6	-1524,1	-1537,5	-1545,85	-1561,2
Long-term biological assets:	1020	0	0	0	0	0
Long-term financial investments:	1030	0	0	0	0	0
Other non-current assets	1090	0	0	0	0	0
Total Section I	1095	1345,9	1555,95	1701,85	1761,95	1722,75
II. Current assets						
Inventory	1100	169,75	141,8	172,15	179,6	181,7
Finished goods	1103	71,55	0	0	0	0
Current biological assets	1110	0	0	0	0	0
Trade accounts receivables for goods and services	1125	145,75	41,3	119,35	118	216,3
with tax authorities	1135	1,7	1,85	0,4	0	0
including income tax	1136	0	0	0	0	0
Other current receivables	1155	0,4	0	0	0	0,5
Current financial investments	1160	0	0	0	0	0
Cash and their equivalents	1165	35,65	50,75	134,35	345,75	474,6
Prepayments	1170	1,15	2,2	1,05	1,25	2,55
Other current assets	1190	2,35	6,55	15	15	11,65
Total Section II	1195	356,75	244,45	442,3	659,6	887,3
III. Non-current assets held for sale and disposal groups	1200	0	0	0	0	0
Balance	1300	1702,65	1800,4	2144,15	2421,55	2610,05

Liabilities	Line	2014	2015	2016	2017	2018
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	code					
1	2	3	4	5	6	7
I. Equity						
Share capital	1400	85	85	85	85	85
Additional capital	1410	422	422	422	422	422
Reserve capital	1415	19,6	19,6	19,6	19,6	19,6
Retained earnings	1420	916,35	1078,25	1388,3	1669,15	1817,75
Unpaid capital	1425	0	0	0	0	0
Total Section I	1495	1442,95	1604,85	1914,9	2195,75	2344,35
Total Section II	1595	0	0	13,95	19,3	34,35
III, Current liabilities						
Short-term loans form banks	1600	0	2,35	19,75	17,4	0
Current accounts payable for:		276,5	197,25	235,3	229,55	248,7
long-term commitments	1610	0	0	0	0	0
for goods, works, services	1615	118,5	62,5	2,95	2,5	71,65
settlements with tax authorities	1620	70,95	65,85	113,85	115,15	95,95
including income tax	1621	40,25	26,7	68,05	61,65	32,65
insurance settlements	1625	15	11,85	11,5	10,65	9,2
personnel expenses	1630	31,8	30,35	38,95	39,6	39,25
Deffered income	1665	0	0	0	0	0
Other current liabilities	1690	23,45	22,65	28,3	21,2	15,3
Total Section III	1695	259,7	195,55	215,3	206,5	231,35
IV. Liabilities related to non-current assets held for sale and disposal groups	1700	0	0	0	0	0

Income Statement of of LLC “BUS TOUR” during 2014-2018

	Line code	2014	2015	2016	2017	2018
1	2	3	4	5	6	7
Net income from sales of products (goods, works, services)	2000	5574,4	3027,8	4681,5	4525,2	5656,2
Other operating income	2120	255,3	510,4	570,4	628,2	724,7
Other income	2240	0	0	79,4	64,4	78,3
Total revenue (2000 + 2120 + 2240)	2280	5829,7	3538,2	5331,3	5217,8	6459,2
Cost of sales (goods, works, services)	2050	- 4993,7 0	-2686,6	-3997,9	-4102,1	-5184,6
Gross profit / (loss):		580,70	341,20	683,60	423,10	471,60
Other operating expenses	2180	-637,7	-636,4	-764,3	-939,5	-1019,7
Operating result: profit / (loss)		198,30	215,20	489,70	111,80	176,60
Other expenses	2270	-13,1	-18	-10,1	-50,2	-18,4
Total cost (2050 + 2180 + 2270)	2285	-5644,5	-3341	-4772,3	-5091,8	-6222,7
Financial result before tax: profit	2290	185,2	197,2	559	126	236,5
Income tax expense (income)	2300	-23,1	-35,5	-100,6	-22,7	-42,6
Net financial result: profit	2350	162,1	161,7	458,4	103,3	193,9

**Баланс (Звіт про фінансовий стан) ТОВ «Бас Тур»
2014-2018 рр.**

Актив	Код рядка	2014	2015	2016	2017	2018
1	2	3	4	5	6	7

I, Необоротні активи

Незавершені капітальні інвестиції	1005	0	0	0	0	0
Основні засоби:	1010	1345,9	1555,95	1701,85	1761,95	1722,75
- первісна вартість	1011	2858,5	3080,05	3239,35	3307,8	3283,95
- знос	1012	-1512,6	-1524,1	-1537,5	-1545,85	-1561,2
Довгострокові біологічні активи:	1020	0	0	0	0	0
Довгострокові фінансові інвестиції	1030	0	0	0	0	0
Інші необоротні активи	1090	0	0	0	0	0
Усього за розділом I	1095	1345,9	1555,95	1701,85	1761,95	1722,75

II, Оборотні активи

Запаси	1100	169,75	141,8	172,15	179,6	181,7
- у тому числі готова продукція	1103	71,55	0	0	0	0
Поточні біологічні активи	1110	0	0	0	0	0
Дебіторська заборгованість за товари, роботи, послуги:	1125	145,75	41,3	119,35	118	216,3
Дебіторська заборгованість за розрахунками з бюджетом	1135	1,7	1,85	0,4	0	0
- у тому числі податок на прибуток	1136	0	0	0	0	0
Інша поточна дебіторська заборгованість	1155	0,4	0	0	0	0,5
Поточні фінансові інвестиції	1160	0	0	0	0	0
Гроші та їх еквіваленти	1165	35,65	50,75	134,35	345,75	474,6

Витрати майбутніх періодів	1170	1,15	2,2	1,05	1,25	2,55
Інші оборотні активи	1190	2,35	6,55	15	15	11,65
Усього за розділом II	1195	356,75	244,45	442,3	659,6	887,3
III. Необоротні активи. утримувані для продажу. та групи вибуття	1200	0	0	0	0	0
Баланс	1300	1702,65	1800,4	2144,15	2421,55	2610,05

Пасив	Код рядка	2014	2015	2016	2017	2018
1	2	3	4	5	6	7
I, Власний капітал						
Зареєстрований (пайовий) капітал	1400	85	85	85	85	85
Додатковий капітал	1410	422	422	422	422	422
Резервний капітал	1415	19,6	19,6	19,6	19,6	19,6
Нерозподілений прибуток (непокритий збиток)	1420	916,35	1078,25	1388,3	1669,15	1817,75
Неоплачений капітал	1425	0	0	0	0	0
Усього за розділом I	1495	1442,95	1604,85	1914,9	2195,75	2344,35
II. Довгострокові зобов'язання. цільове фінансування та забезпечення						
III, Поточні зобов'язання						
Короткострокові кредити банків	1600	0	2,35	19,75	17,4	0
Поточна кредиторська заборгованість за:		276,5	197,25	235,3	229,55	248,7
довгостроковими зобов'язаннями	1610	0	0	0	0	0
- товари. роботи. послуги	1615	118,5	62,5	2,95	2,5	71,65
розрахунками з бюджетом	1620	70,95	65,85	113,85	115,15	95,95
у тому числі з податку на прибуток	1621	40,25	26,7	68,05	61,65	32,65
- зі страхування	1625	15	11,85	11,5	10,65	9,2
- з оплати праці	1630	31,8	30,35	38,95	39,6	39,25
Доходи майбутніх періодів	1665	0	0	0	0	0
Інші поточні зобов'язання	1690	23,45	22,65	28,3	21,2	15,3

Усього за розділом III	1695	259,7	195,55	215,3	206,5	231,35
IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу та групами вибуття	1700	0	0	0	0	0

Звіт про фінансові результати

Стаття	Код рядка	2014	2015	2016	2017	2018
1	2	3	4	5	6	7
Чистий дохід від реалізації продукції (товарів, робіт, послуг)	2000	5574,4	3027,8	4681,5	4525,2	5656,2
Інші операційні доходи	2120	255,3	510,4	570,4	628,2	724,7
Інші доходи	2240	0	0	79,4	64,4	78,3
Разом доходи (2000 + 2120 + 2240)	2280	5829,7	3538,2	5331,3	5217,8	6459,2
Собівартість реалізованої продукції (товарів, робіт, послуг)	2050	-4993,70	-2686,6	-3997,9	-4102,1	-5184,6
Інші операційні витрати	2180	-637,7	-636,4	-764,3	-939,5	-1019,7
Інші витрати	2270	-13,1	-18	-10,1	-50,2	-18,4
Разом витрати (2050 + 2180 + 2270)	2285	-5644,5	-3341	-4772,3	-5091,8	-6222,7
Фінансовий результат до оподаткування (2268 - 2285)	2290	185,2	197,2	559	126	236,5
Податок на прибуток	2300	-23,1	-35,5	-100,6	-22,7	-42,6
Чистий прибуток (збиток) (2290 - 2300)	2350	162,1	161,7	458,4	103,3	193,9

Freight Forwarding Market - Growth Rate by Region (2019-2024)

