

Strategy of Functioning of Logistics Companies in Uzbekistan

Karrieva Y.K

Abstract: *This paper investigates major points of the strategy of functioning of logistics companies in the Republic of Uzbekistan. On this way, research bases on different points of the academic analyses of the logistic services in order to make better understanding as the whole.*

Keywords: *Strategy, Uzbekistan, functioning, logistics company, services, research, supply chain, transfer.*

INTRODUCTION

In the process of the implementation of logistics operations, creating a supply chain, perhaps one of the most important is the transportation, as a result of which the product is delivered to the final consumer. In this regard, the efficiency of the whole process depends on how rationally organized the transportation management system is.

For the practical implementation of the process of transportation management, first of all, it is necessary:

- determine the external and internal environment in which the transportation of goods is managed;
- define the main functions of traffic management;
- to study the possibility of transportation by corporate and private operators:
 - to determine the possibility of consolidation of goods to be shipped;
 - to study the regulatory aspects of traffic management;
 - to study the level of tariffs for logistics services, etc.

Freight management is constantly transformed depending on the level of economic development, transportation technology, the introduction of information technology training and the relationship of shippers transport operators.

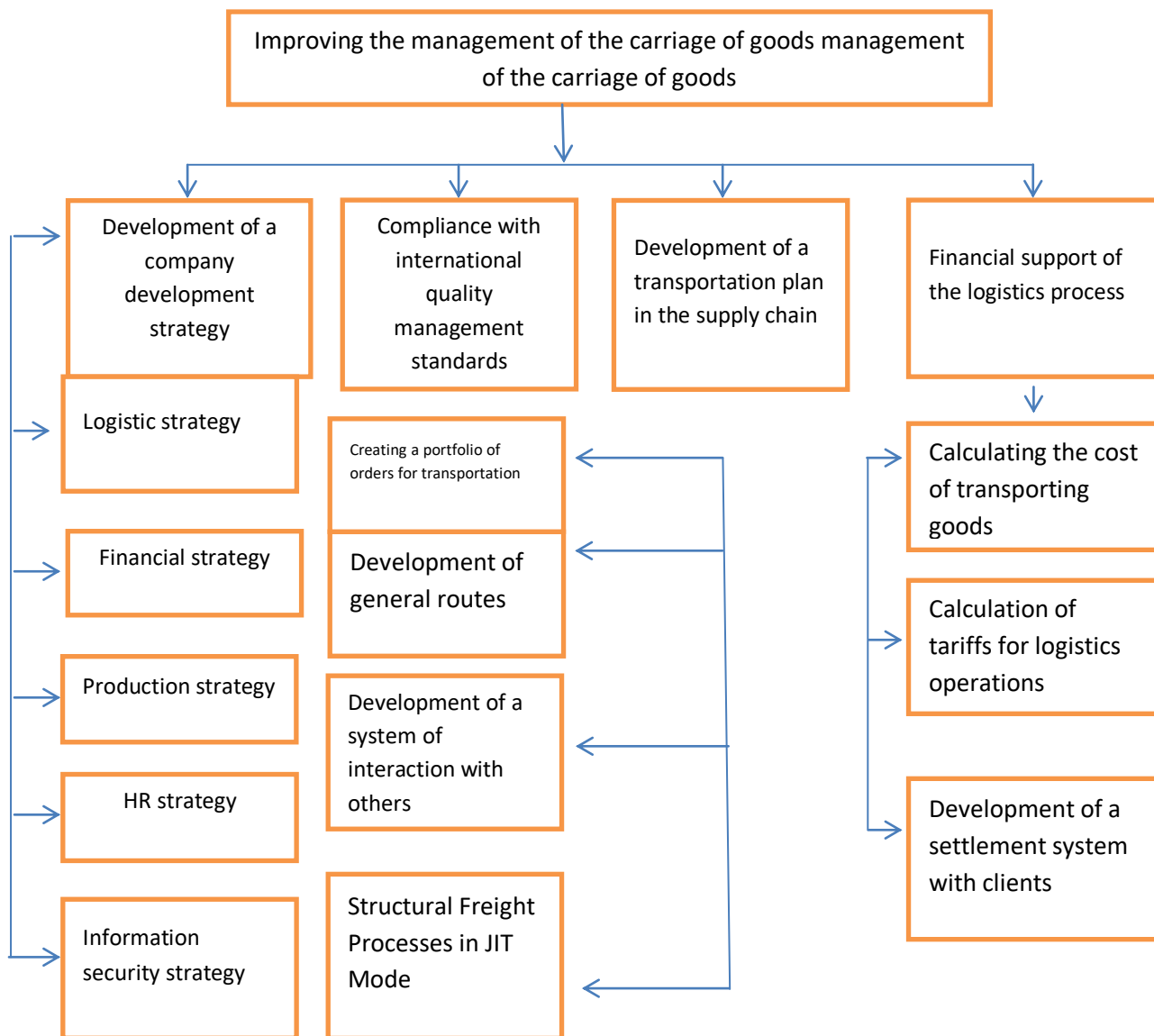
MAIN PART

Researches of scientists proved that the improvement of logistics management of cargo transportation contributes to the reduction of stocks throughout the supply chain. According to the European Industrial Association, only end-to-end monitoring of the material flow ensures a reduction in terminal stocks by 30-70%. According to the US Industrial Association, the decline in stocks occurs in the range of 30-50%.

The management of goods transportation in the supply chain at the present stage of development of human society is impossible without a well-developed strategy for the development of industries for the near and long-term perspective, in which this process is taken into account as an integral component (Fig. 1).

Revised Manuscript Received on July 25, 2019.

Karrieva Y.K., Doctor of Economical Sciences, professor at Tashkent State University of Economics, 49 Uzbekistan Avenue, Tashkent 100003



Picture 1. The concept of the strategic development of the automotive industry

The overall concept of the development of the automotive industry is the basis for developing a logistics strategy. The overall concept of the development of the country as a whole and, including, road transport in the Republic of Uzbekistan is reflected in the Development Strategy of Uzbekistan.

Synergies are an important asset and source of sustainable competitive advantage, which is achieved with the rational management of a logistics company. When researching a strategy question, it is very important to find out some key questions:

In particular,

What is a business unit?

- what is business strategy?

- assets and competencies, etc.

A strategic business unit (SBE) is any organizational unit that has its own business strategy and a manager who is responsible for providing sales and making a profit.

A business strategy, or strategy, is defined by four elements or directions: a commodity-market investment strategy; offer of customer value; assets and competencies; functional strategies and programs. The first element determines where the firm should compete, and the remaining three indicate how this should be done to achieve victory (Fig. 2).

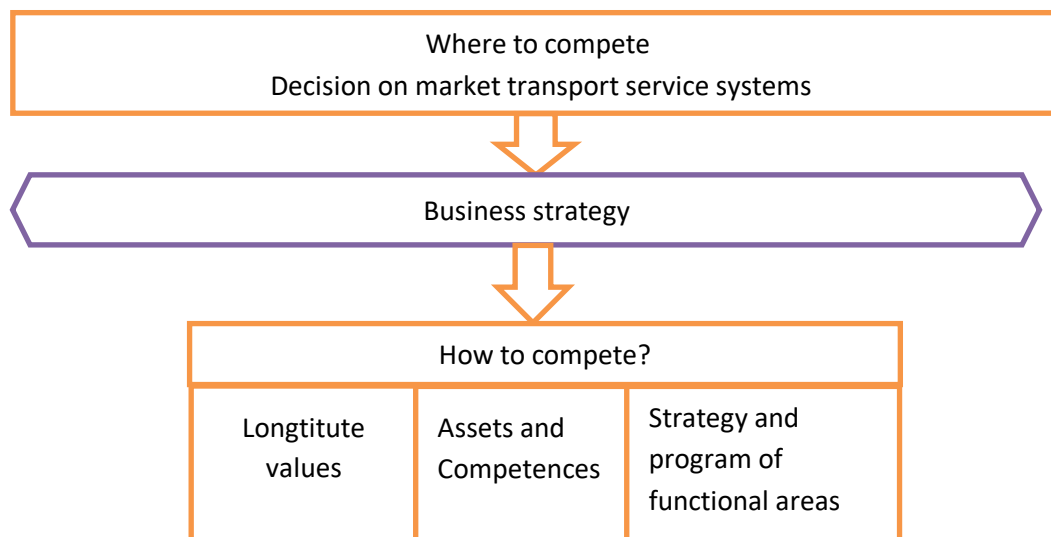


Figure 2. Business Strategy

The strategic assets and competencies on which the business strategy is based provide a sustainable competitive advantage.

Strategic competences are strategic values for a business unit, certain areas of activity in which it is strongest. As a rule, competence is based on knowledge or process. Under the strategic assets are understood as certain resources, superior in their parameters to similar resources of competitors.

When developing a strategy for the development of road transport, it will be necessary to determine the level of costs for transport services and the technical and technological capabilities of the industry to create or maintain it, which is the basis for a sustainable competitive advantage of assets or competencies.

DATA ANALYSES

It should be noted that the number of assets and competencies of road transport can include: - buildings, - structures, - rolling stock, - equipment, - loading and unloading facilities, - roads and other infrastructure, customer locations, etc.

As can be seen from this list, the creation of a strong asset and competence is associated with certain difficulties, however, as a result, this can lead to the emergence of a sustainable competitive advantage (PC).

The complex of assets and competencies determines the functional strategies and programs of logistic enterprises, which in turn; must be realized with the help of certain tactical decisions. The number of functional strategies and programs that contribute to the implementation of the business strategies of a logistics company include:

- production strategy of corporate logistics enterprises;
- distribution strategy;
- communicative strategy;
- information strategy;
- strategy of market segmentation of transport (logistics services);

- quality logistics program;
- program of customer relations (corporate culture).

On the basis of the overall development strategy, it is possible to formulate strategic goals for the development of automobile transport and the tasks of improving the management of cargo transportation.

These tasks may be as follows:

- analysis of the performance of the industry (companies) for previous periods;
- planning the volume of transport (logistics) services for the future based on marketing research;
- determined geography and routes of transportation of goods;
- determination of the main types of logistic operations;
- determination of the quality and types of vehicles loading and unloading mechanisms, the volume of warehouses, terminals and other types of infrastructure, as well as the number of personnel;
- determination of logistics service providers (outsourcing);
- determination of the degree of information and software logistics processes.

At the same time, it is important to consider the main components that influence the formation of the logistic strategy.

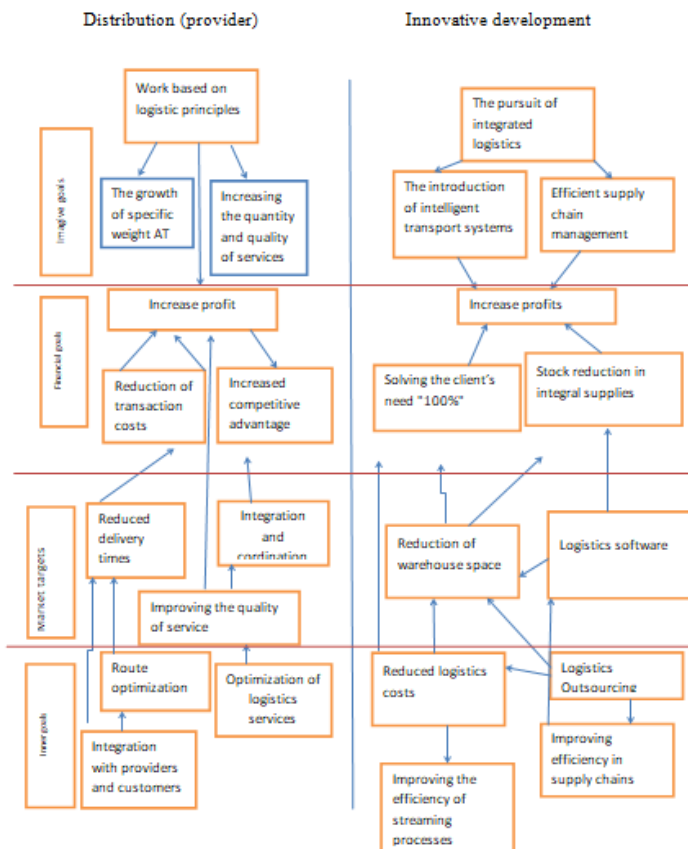
These components can be:

- measures to achieve competitive advantage;
- weak development of the company;
- the formation and selection of the main criteria indicators;
- the volume of logistics services, directions and stages of development of the company;
- ways to achieve the goals and objectives;
- types of work and services for clients.

In the face of fierce competition, companies should choose the search for basic reserves within the company as the main goal

of their strategy. This requires the improvement of the management system and the application of advanced transportation technologies.

To gain a competitive advantage, you can use some logistics technologies (strategies) to optimize the transportation of goods, minimize overall logistics costs, improve the quality of logistics services, minimize the size of investments in logistics infrastructure, logistics outsourcing strategies and information management strategies for logistics operations. (pic 3.)¹.



Logistics technologies in road transport in Uzbekistan.

It should be noted that for the most complete realization of the benefits of concepts or technologies, it is necessary to analyze the advantages and capabilities of these technologies, and then make recommendations for their implementation.

The most famous of them are:

- Justintime (JIT)
- Materials Requirements Planning (MIRP)
- Lean Production
- Manufacturing Resource Planning (MRP II)

-Enterprise Resource Planning (ERP)

-Customer Synchronized Resource Planning (CSRP)

These technologies can be used in the development strategy of the logistics company.

Considering the fact that in Uzbekistan logistics is at the development stage, and the global logistics development has crossed the integration stage since 2000, the logistics company should conduct its activities in two directions. Moreover, the strategy map was also structured by us on the following:

- distribution of logistics services;
- innovative development, and four strategic goals:
- image and positioning;
- financial intact;
- market intact;
- internal targets

When developing a system of indicators for the algorithm of interaction between the company's management and participants in the implementation of logistic processes, it is necessary to describe a performance accounting card.

Efficiency Performance Measurement Company Strategy Map

Perspectives	Goals	Indicators	Criteria for implementing the strategy
Image and positioning	Creation of conditions for integrated logistics.	Effective management in supply chains.	Efficiency increase by 10%.
Financial	Improving information security	Improving the quality of service.	Increase by 25% per year.
Market	Arrived a volume of transport services.	Reduced maintenance cost	A decrease of 20% per year.
Internal	Expenses	Managerial arrived.	At 25% per year. At 20% per year. At 20% per year.

The algorithm of interaction between the management of the logistics company and the participants in the logistics process can also be described when considering these issues to varying degrees of need.

CONCLUSION

Thus, it should be noted that the logistics operations management system is the basis for the implementation of the entire supply chain process. In its structure, the transportation process management is an element on which the maximum effect depends on the functioning of the entire system. In this regard, the presented studies confirm the importance and necessity of continuous improvement of the management system in accordance with the requirements of a market economy.

The expected economic effect from innovative activities, the use of intelligent transport systems, improved process control, warehouse operations management, while implementing the company's logistics strategy, will achieve:

- acceleration of the turnover of material flows;
- reduction of the cost of material flows;
- decrease in warehouse;
- improve the quality of service.

REFERENCES:

1. Andersson, T.D. (2007). The tourist in the experience economy. *Scandinavian Journal of Hospitality and Tourism*, 7(1), 46-58
2. Abdurakhmanov, K., Zokirova, N., Shakarov, Z., & Sobirov, B. (2018). DIRECTIONS OF INNOVATIVE DEVELOPMENT OF UZBEKISTAN. *National Academy of Managerial Staff of Culture and Arts Herald*, (3).
3. Sobirov, B. DEVELOPMENT OF DEMAND ON TOURISM SERVICES OVER INNOVATIVE ECONOMIC ADVANCEMENT CONDITIONS EXAMPLES OF UZBEKISTAN. *Journal of Management Value & Ethics*, 85.
4. Baxtishodovich, B. S., Suyunovich, T. I., & Kholiqulov, A. (2017). The start-up of tourism in Central Asia Case of Uzbekistan. *World Scientific News*, 2(67), 219-237.

5. Binkhorst, E. (2006). The co-creation tourism experience. Paper presented at the XV International Tourism and Leisure Symposium, Barcelona.
6. Gulmira, T., Sobirov, B., Suyunovich, T. I., & Hasanovna, A. D. IMPLEMENTATION OF UP-TO-DATE INNOVATIVE APPROACHES IN A COMPETITIVE MERIT OF TOURISM INDUSTRY IN CENTRAL ASIA. THE CASE OF UZBEKISTAN. *Journal of Management Value & Ethics*, 4.
7. Binkhorst, E., & Den Dekker, T. (2009). Agenda for co-creation tourism experience research. *Journal of Hospitality Marketing and Management*, 18(2-3), 311-327.
8. Boswijk, A., Thijssen, T. & Peelen, E. (2007). The experience economy: A new perspective. Amsterdam: Pearson Education.
9. Bouchet, P. (2004). L'expérience au cœur de l'analyse des relations magasinmagasineur. *Recherche et applications en Marketing*, 19(2), 53-71. *World Scientific News* 98 (2018) 34-45 -43-
10. Buhalis, D., & Licata, M.C. (2002). The future eTourism intermediaries. *Tourism Management*, 23, 207-220.
11. Campos, A. C., Mendes, J., Valle, P. O. D., & Scott, N. (2015). Co-creation of tourist experiences: a literature review. *Current Issues in Tourism*, 1-32.
12. Carù, A., & Cova, B. (2002). Retour sur le concept d'expérience: pour une vue plus modeste et plus complète du concept. *Actes des 7ème Journées de Recherche en Marketing de Bourgogne*, Dijon.
13. Cova, B., Dalli, D., & Zwick, D. (2011). Critical perspectives on consumers' role as 'producers': Broadening the debate on value co-creation in marketing processes. *Marketing Theory*, 11(3), 231-241. [10] Chandra Mehta, D., & Kaur, P. H. (2018). Growth of Mutual Fund Industry in India. *American Journal of Economics and Business Management*, 1(2), 43-52. Retrieved from <http://globalresearchnetwork.us/index.php/AJEBM/article/view/25>
14. Dekhili, S., & Hallem, Y. (2016). Un touriste co-créateur est-il un touriste heureux ? Étude de l'impact de la co-création sur le bien-être du consommateur. *Management & Avenir*, (3), 15-34.
15. Grissemann, U. S., & Stokburger-Sauer, N. E. (2012). Customer Co-creation of Travel Services: The Role of Company Support and Customer Satisfaction with the Co-creation Performance. *Tourism Management*, 33(6), 1483-1492.
16. Gross, M. J., & Brown, G. (2006). *Tourism experiences in lifestyle*



- destination setting: The roles of involvement and place attachment. *Journal of Business Research*. Volume 59, Issue 6, June 2006, Pages 696-700
17. Guo, L., Arnould, E.-J., Gruen, T.-W., & Tang, C. (2013). Socializing to co-produce: Pathways to consumers' financial well-being. *Journal of Service Research*, 16(4), p. 549-563.
 18. Holbrook, M.B. (1999). *Consumer Value – A framework for analysis and research*. London and New York: Routledge.
 19. Huang, J., & Hsu, C. H. (2010). The impact of customer-to-customer interaction on cruise experience and vacation satisfaction. *Journal of Travel Research*, 49(1) 79–92.
 20. Ihamäki, P. (2012). Geocachers: The creative tourism experience. *Journal of Hospitality and Tourism Technology*, 3(3), 152–175.
 21. Jager, K. (2009). The new tourist and co-creation as a key element of tourism destinations' competitiveness, Budapest, Budapest Business School.
 22. Kim, J.H. (2010). Determining the factors affecting the memorable nature of travel experiences. *Journal of Travel & Tourism Marketing*, 27(8), 780–796.
 23. Kreziak, D., & Frochot, I. (2011). Co-construction de l'expérience touristique: les stratégies des touristes en stations de sport d'hiver. *Décisions Marketing*, 64, 23-33. *World Scientific News* 98 (2018) 34-45 -44-
 24. PP-4947 "Strategy on Development Action of the Republic of Uzbekistan for 2017–2021, dated February 7, 2017.
 25. David Ducker Strategic market management. P. 20.Moscow.2012g.
 26. Mirotin LB, Karrieva YA.K.Osnovy and features of transport logistics. Uchebno-methodical manual. Tashkent.2017.