

SOURCES TO INCREASE COMPETITIVENESS OF A TRANSPORT FORWARDING ENTERPRISE

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ABSTRACT

The article examines the sources of improving the activities of transport forwarding enterprises, increasing their competitiveness, particularly in the market of international transport services. Being an architect of efficient cargo delivery, such an enterprise performs a number of functions that are not typical for carriers.

It is coordination of operational interaction, compilation of technological and economic

justifications for transport and technological routes and timetables, taking into account the wishes and requirements of cargo owners, monitoring the progress of carriage, information on movement of goods. The authors recommend to pay a closer attention to assessment of compliance of demand and services in the sphere of transportation and forwarding services, to algorithm of interaction with customers, to forecasting of competition in business and of future scenarios for economic development.

Keywords: economy, market, transport-forwarding enterprise, business process, efficiency, quality of services, transport forwarder.

Background. Among the tasks focused on providing greater accessibility and quality of transport services, we can name today a task of further development of transport forwarding services for cargo transportation.

The national transport-forwarding system in its present format is aimed at promoting the competitiveness of forwarding organizations regarding transportation of export and import cargo, its share in foreign trade and transit routes. The changing conditions of the external environment, the growing exchange of transport services between the countries of the Eurasian Economic Union (EEU), the Asia-Pacific region (APR), South-East Asia stimulate the interest of transport forwarding enterprises in expanding international economic relations, developing new areas of mutually beneficial cooperation, and better image of industry companies, strengthening their positions in the world market [2, 3].

Objective. The objective of the authors is to consider sources to increase competitiveness of a transport forwarding enterprise.

Methods. The authors use general scientific methods, comparative and economic analysis, and evaluation approach.

Results.

Market realities as a reference point

The organization of the market activity of a transport forwarding enterprise (TFE) includes several stages, carried out in part sequentially and in part in parallel and consisting in the following:

1. Constant search and construction of the optimal organizational structure of management.
2. Selection of qualified specialists in the field of transport forwarding business.
3. Commercial justification of the choice of the main activities of TFE.
4. Providing competitive transport forwarding services.

The task of configuring the innovative structure of management of TFE, providing effective operation is one of paramount objectives. By the similarity of the functions being implemented, the structure of management of TFE can be conditionally represented by several blocks: monitoring and marketing unit (TFM), development of new types of services and active promotion and sale of existing ones; units of

organization and implementation of transport forwarding services (TFS); financial and economic units; units of operation support and development of TFE. An indispensable condition for successful operation of enterprises remains balanced structuring and harmonious interaction of blocks, an optimally delineated list of tasks they solve.

The organizational structure of TFE should fully correspond not only to the realities of the market of transport and forwarding services, but also its expected future state, be flexible in relation to the impact of market environment factors, be capable of monitoring its own condition, finding sources for improving its activities, assessing their position on market, as well as its competitors in transport forwarding business. Besides all other factors, we should emphasize, the organization structure should maintain optimal costs.

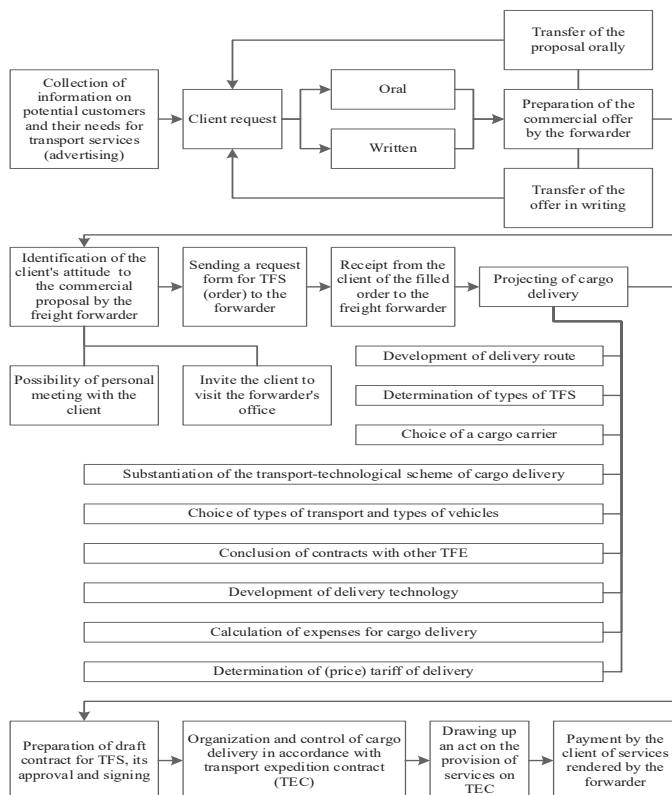
In accordance with market approaches, the requirements for TFE personnel take into account:

1. Level of professional training and qualifications in the field of transport forwarding activities (including theoretical knowledge and the ability to apply them in practice).
2. Ability to administer vertical and horizontal relationships in the management system of transport forwarding services.
3. Compliance with professional ethics of conduct and aesthetics in the organization and implementation of TFS.
4. Knowledge of regulatory, legal, technical and technological documents related to TFS.
5. Possession of knowledge and skills of using digital technologies in the field of transport forwarding business.

The effective activity of TFE requires timely development and implementation of new types of transport freight forwarding services and technologies, speediness of meeting the demand of customers, improving the quality of the services provided, and reducing their cost.

The main directions in this case can be:

- participation in negotiations on concluding contracts for sale of goods;
- registration of documents, acceptance and delivery of goods;
- development of documents for project transportation;



Pic. 1. Block diagram of the algorithm for organizing TFS.

- organization and execution of the contracted carriage;
- delivery and removal of goods;
- loading and unloading and warehousing services;
- information services;
- preparation and additional equipment of vehicles;
- cargo insurance services;
- payment and financial services;
- customs clearance of goods and vehicles;
- freight forwarding;
- other transport forwarding services [6].

Commerce and competition

Each direction of transport forwarding activities includes a list of «related» services. For example, participation in negotiations on the conclusion of contracts for sale and purchase of goods assumes consulting of the client on the choice of route, vehicles, conditions for transportation of goods while ensuring safety of services, safety of goods, timely and economical delivery. And registration of documents, reception and delivery of goods includes editing of forwarding papers, a set of shipping documents, as well as shipping, freight, phytosanitary, quarantine, consular and other required documentation; obtaining necessary approvals and permits, including from owners (balance holders) of highways and other objects of transport infrastructure; registration of cargo redirection, commercial acts on shortage, surplus, damage, damage and loss of cargo and packaging; and a number of other services, including preparation of the report of the freight forwarder.

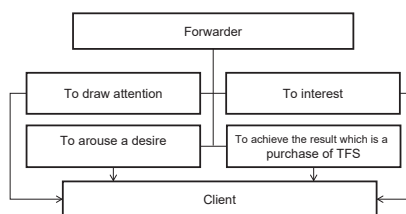
In determining the main activities TFE, as a rule, is guided by expert assessment of the demand for services, the state of the competitive environment, the volume of investment to promote the identified needs and to provide technical, technological and

information equipment for the projected business processes, by forecasts of duration of the life cycle of certain types of transport forwarding services and of prospects of their development and profitability.

The motivation for formation of a package of transport forwarding activities is mainly the desire to maximize the revenues of TFE by covering the widest possible range of consumers of services. At the same time, a biased assessment of their capabilities leads to a decrease in the quality of services, unsatisfactory performance of obligations towards clients, and, accordingly, to loss of orders, a decrease in their own business image and, naturally, market competitiveness.

Considerable attention should be paid to organization of competitive transport forwarding services. The organization of TFS includes a number of basic stages, the list, sequence and interrelation of which can be represented by the block diagram shown in Pic. 1.

At the initial stage, it is necessary to have comprehensive and reliable information on the state of the market of transport forwarding services, potential customers and their needs. To collect and systematize such information, various methods are used, including the method of telemarketing [7], Internet mailing, statistical research, etc.



Pic. 2. Model of the impact on the client.



When preparing a commercial proposal to attract the attention of the client and keep him interested in the offer of the freight forwarder, it should be prepared in a qualitative and justified manner [8]. The main objective of the commercial proposal is to motivate a potential client to purchase transport forwarding services. Practical steps of TFE in this case can be based on the components of the model, which regulates the order of impact on the customer (Pic. 2).

The desirability of a bilateral meeting demonstrated by the freight forwarder for the purpose of discussing the commercial proposal in the office of one of the parties, depending on the client's preferences, will also facilitate the establishment of partnership relations and attraction of the client to long-term cooperation.

The forwarder could have many more models and schemes of impact that ensure the success of the commercial proposal, which certainly depends on the competence, professional and personal qualities of the forwarder as a negotiator.

In order to demonstrate interest in the client and attention to him, it is preferable, in particular, to send simultaneously with the commercial proposal a form of TFS application – the instructions to the forwarder. That insignificant and unpaid service is able to encourage the client to cooperate with the freight forwarder.

Forwarder in the EEU space

Designing the transport process of cargo delivery [9–11] becomes the most important stage in organization of TFS at the stage when it is possible to prepare a transport expedition contract (TEC), its coordination and signing by the parties. That is, the document should be fully-fledged and able to provide the delivery of goods through the entire route.

While designing transport process forwarder should provide for the use to the maximum extent of the existing digital technology, including the use of intelligent transport systems, advanced information and telecommunications networks, global navigation system GLONASS and electronic document flow providing information integration of transport systems and the implementation of high-performance delivery technology for goods involving different types of transport. Unified information services should involve interaction between shippers, consignors, consignees, transport, logistics, shipping, tax, financial, insurance, customs, border and other organizations and government supervisory bodies.

The terms of the delivery process must necessarily be reflected in TEC project. The allocation therein of the components of the total costs for delivery of cargo in the interests of the client and of the freight forwarder's expected reward increases the client's confidence and ensures transparency of the transaction.

It is easy to notice that the the procedures for organizing the process of TFS comprise many sources of improving economic activity of TFE, predetermined not only by its internal capabilities and abilities, but also by change in the structure and strength of the impact of environmental factors that characterize the state of the market of transport forwarding services in the relevant period of time [13–18].

The sources of improving the activity of TFE considered up to this moment are classified according to their status as commercial ones.

Another source that contributes to the efficiency of TFE relates to regulatory functions of the state. Regulatory influence on the part of the state is expressed in the improvement of transport forwarding legislation.

In accordance with the tasks identified by the transport strategy until 2030, Russian transport forwarding enterprises are given a significant role in development of

the country's transport system. In particular, mechanisms for motivating the structural modernization of existing transport systems should be developed and put in place in order to ensure the quality of transportation services. In this regard, an integral part of the overall effort is the task of increasing the competitiveness of TFE in both the domestic and international markets of transport services, which will undoubtedly contribute to creation of a solid basis for integrating Russia into the world transport system, expanding access of Russian transport service providers to overseas markets [12], strengthening the role of the country in shaping the international transport policy and turning the export of transport services into one of the solid sources of revenue for the economy.

Against this background, from the point of view of increasing the efficiency of TFE, the implementation of measures to harmonize and simplify the conditions for the activity of forwarders in the member countries of the Eurasian Economic Union, their direct participation in development of a common transport space and the general market of transport services of the EEU is of special importance [4, 5]. As it is known, the EEU is geographically located between two major economies of the world – the European Union and South-East Asia, the countries of the Asia-Pacific region, and therefore the consolidated efforts of the freight forwarders of the EEU states should be aimed at the speedy development of export-import freight flows within the integration association, and of transit through the territory of the Union.

In this case, the participation of a freight forwarder as an architect of effective delivery of goods in achieving target indicators of the subprogram of export of transport services is indispensable. However, without the legislative regulatory role of both Russia and the integration association of the EEU, this is indispensable.

Conclusions and suggestions. Basing on the analysis of the organization of the work of transport forwarding companies, an expert assessment of the state of the market of freight forwarding services, the outlined intensification of mutual trade flows between the EEU member states, it can be concluded that the primary sources of improving the economic activity of TFE in the current time and foreseeable future will be:

1. Constant monitoring of the conformity of supply and demand in the market of transport forwarding services, assessment of the state of the competitive external environment.
2. Reasoned choice of the main lines of business activities and the list of transport forwarding services implemented by TFE, the constant search for points of growth in their volumes.
3. Construction of an adequate and optimal structure of management of TFE, regular monitoring of own competitiveness.
4. Application of more advanced models and methods of freight forwarding.
5. Continuous quality control of transport forwarding services rendered.
6. Application of modern digital technologies in organization and implementation of transport forwarding services.
7. Participation of TFE in creation and development of the market of transport and freight forwarding services of the EEU, implementation of international transport cooperation programs.
8. Updating of the development strategy for TFE taking into account the results achieved, expert assessment of environmental factors, expected directions of freight flows, and forecast scenarios for development of the Russian and world economy.

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