

SECTION 10. TRADE AND SERVICE ECONOMICS

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10.1 Improving the organization of business relations by enterprises retail trade

Business relations between suppliers and buyers are important function of commercial activity. Such connections reflect not only commercial, but also economic, organizational, administrative-legal, financial relations formed between participants in trade operations.

The system of economic relations includes a complex of components:

- participation of trade in the development of plans by industrial enterprises production of goods by submitting orders;
- business contracts;
- control over compliance with contractual obligations;
- application of economic sanctions;
- participation in the work of commodity exchanges and wholesale fairs;
- quality control (expertise) of supplied goods;
- establishment of optimal financial relationships;
- application of administrative and legal norms [218].

From how competently organized procurement at enterprises is retail trade, depends on the success of commercial activity. In market conditions not only the tasks of buyers (managers, marketers, commodity experts), but also work methods. The old ways of organizing supplies are not suitable for modern conditions, therefore progressive ones have to be implemented technologies that greatly facilitate everyday work. Correctly selected suppliers allow not only to create an optimal assortment that corresponds to current consumer preferences, and can be achieved competitive prices. Efficiency of any store working depends on these points.

There are two ways of organizing the purchase of goods:

1. Work with wholesale organizations;
2. Working directly with manufacturers.

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Advantages of working with wholesale organizations – it usually provides the presence of a wholesale organization between a retail enterprise and the manufacturer. Wholesalers fulfill a number of requirements for modern business features that make it easier not only for stores, but also for manufacturers.

For the most part, large wholesale companies employ specialists who work market research and try to purchase those products that are used the greatest demand. Therefore, stores also do not need to waste time on establishing contacts with manufacturers: contacting one or two wholesalers organizations, they receive the entire set of necessary products.

Thus, wholesalers take over product delivery and formation assortment relevant today. It is clear that buying products, the store will save money, due to which it will be able to reduce prices.

But at the same time, he not only loses a lot of time, but also loses in the assortment the plan.

Not every store can work on the basis of a direct relationship with Manufacturers. But business in Ukraine has its own specifics and large retailers companies have manufacturers among their suppliers. Working with manufacturers there are several aspects of the attractiveness of cooperation. First of all, at the manufacturers relatively low price than the wholesaler. In addition, the advantage of dealing with by manufacturers also in the fact that most of them do not demand from stores urgent payment, willingly go for deferred payment. Manufacturers can leave towards the store, if therefore you need to return unsold for any production reasons.

Unfortunately, it is not possible to completely saturate the store with an assortment of manufacturers succeeds Therefore, in practice, in most cases, retailers carry out purchase from both manufacturers and wholesalers. Manufacturers offer lots of different names are too bulky for stores. Therefore, the store sometimes does not can buy such batches, taking into account the minimum shipment rate. Except moreover, manufacturers are not able to cover a large number with their supplies small and medium-sized retail outlets. It is easier for them to deal with wholesalers who buy large batches of goods.

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The need to accelerate the adaptation of retail trade to market conditions economy requires the organization of clear functioning of economic relations trade enterprises with suppliers of goods. In this regard direct contractual relations of trade acquire special relevance enterprises with producers of goods.

The formation of market relations led to significant growth supply of goods to retail trade enterprises directly from production enterprises due to the reduction of supplies from wholesalers enterprises and other commercial intermediaries.

Organization of direct contractual relations of retail trade enterprises with production enterprises in the supply of simple goods assortment (bakery products, beer, soft drinks, flour, cereals, wine and vodka products, dairy products, vegetables, fruits, etc.) constitute the most rational and economically expedient form of organization business relations.

In order to carry out procurement activities, each enterprise must first carry out operational planning of wholesale purchases of goods, justifying the choice of suppliers, and then concluding supply contracts.

This step-by-step procurement of goods involves collection and processing a large amount of information about the volume of sales of goods for the past period, consumer demand and its changes in the future, the presence on the market of enterprises-manufacturers and competitors.

The organization of the process of procurement involves implementation preparatory operations, directly purchasing and final operations.

It should be noted that one of the main operations at the preparatory stage there is a justification for the choice of the supplier, since it is from the performance of this one the efficiency of the functioning of any enterprise depends on the work.

Before starting the selection of the supplier should be carried out operative planning of wholesale purchases, the purpose of which is correct organization of wholesale purchases and strengthening of personal responsibility of everyone a commercial worker for performing planned tasks.

Wholesale purchases should be planned in two stages.

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The initial stage is the determination of the need for wholesale purchases of goods, that is, drawing up a plan for the receipt of goods at the enterprise [219]. This is the plan is developed for each product group for the planned period (year, quarter) for by the formula (1):

$$H = P + O_k - O_n \quad (1),$$

where H –goods receipt plan;

P – plan for the sale of goods;

O_k –inventory ratio at the end of the planning period

O_n – expected stocks at the beginning of the planning period.

The obtained results should be drawn up in the form of a table containing the following data:

- names of product groups;
- turnover plan;
- stocks at the end of the planning period;
- stocks at the beginning of the planning period;
- revenue plan.

The most difficult task when developing an income plan of goods for the enterprise is the determination of the plan for the sale of goods. The basis for of this, the enterprises have materials for the study of consumer demand, for forecasting of which uses the following methods:

- the method of extrapolation of a series of dynamics;
- normative method;
- demand forecasting using the elasticity coefficient;
- method of economic and mathematical modeling;
- method of expert evaluations [220].

At the second stage, a plan for wholesale purchases of goods is drawn up. if the plan receipt of goods must determine which goods and in what quantity are needed purchase, the procurement plan must contain instructions on the sources of these purchases, deadlines for their implementation and those responsible for procurement.

Such a plan consists of the following sequence of data presentation:

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- names of product groups;
- names of procurement sources;
- purchase amount;
- responsible for purchasing;
- deadlines for submission of orders;
- term of conclusion of the contract;
- the specification specification deadline.

Such a plan must be approved by the head of the enterprise and is the basis for justifying the choice of suppliers, because efficiency procurement work depends on the correct choice of wholesale sources purchases and specific suppliers of goods.

Interaction and coordination of activities of market entities in logistics system is connected, first of all, with the choice of suppliers and organization work with them. The choice of suppliers is seen as an important task retail trade enterprise in the process of purchasing goods, which is functional subsystem of commercial logistics.

The task of choosing a supplier is related to the search for potential ones suppliers and comparative analysis of their competitive advantages.

Effective selection of the supplier depends on the evaluation of its capacity meet the following criteria: quality of goods, volumes of supplies, price levels for goods and service level.

Two ways of choosing a supplier are acceptable:

- choosing a supplier from among the companies with which it is already established business relationship, which makes the choice easier because the information is known in advance about their activities. In this case, the algorithm is used: analysis of the received information about working with the supplier; analysis of information by criteria choice; making a decision on the choice of a supplier;
- selection of a new supplier based on the results of the search and analysis new information. In this case, a lot of time is spent on checking the potential supplier, but costs may be recouped if potential the supplier will compete with the existing one.

Application of different approaches to justifying the choice of suppliers allows retailers to reduce their overall costs the basis for ensuring the effectiveness of their activities.

The most widespread is the method of rating assessment with selection main and additional selection criteria.

Justification of the choice of suppliers according to the multi-level system logistic criteria can be carried out by the method of pairwise comparisons with using the Microsoft Office Excel environment. This method has the following advantages: and disadvantages, however, it allows taking into account the real situation for coordination of various problems by determining priorities. In addition, the method allows to take into account the "human factor", which is its most important factor an advantage.

Scales of development of retail trade enterprises require special approaches to determining suppliers of goods that should based not on traditional calculations, but on the application of modern ones technologies, in particular, construction of economic and mathematical models.

To build an economic-mathematical model of justification of the choice suppliers as an element of the procurement process, a method is proposed pairwise comparisons.

The economic-mathematical model meets the following requirements:

- availability;
- availability of software;
- economy;
- substantiation of evaluation criteria by quantity and quality;
- involvement of specialists as experts [221].

The proposed algorithm for justifying the selection of suppliers includes stages (Fig. 1), the passage of which allows the selection of criteria and determine the parameters for evaluating the supplier's reliability.

Let's consider the specification of the selection justification algorithm suppliers.

1 stage. Formulation of the company's goal when choosing suppliers.

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To ensure the effectiveness of the trade enterprises, when justifying the choice of suppliers based on economic the mathematical model is the reduction of total costs and provision economic efficiency of the procurement process as a whole.

2 stage. Determination of the number and filling of criteria.

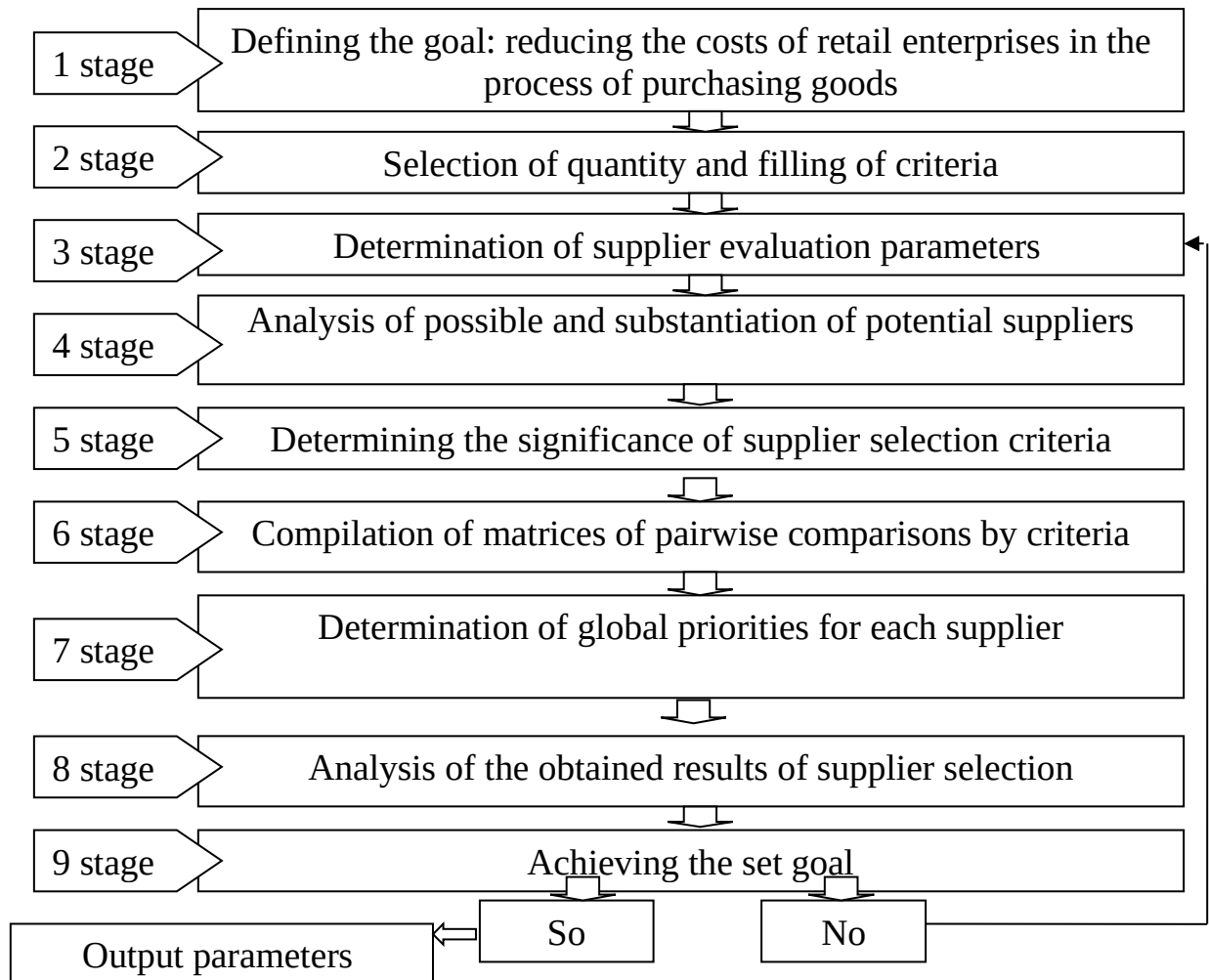


Figure. 1. Algorithm for justifying the choice of suppliers according to the economic-mathematical model

At this stage, problems arise related to the existence of a large groups of quality parameters that play an important role in the selection procedure, but are difficult to quantify [222].

Such indicators include:

- image of the supplier;
- absence of negative reviews in mass media;
- friendliness of staff, etc.

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A negative evaluation based on these indicators may lead to rejection cooperation with suppliers.

In research, when developing an economic-mathematical model as a basis the eight most important criteria for the selection of suppliers were laid down, and namely: quality of goods; timeliness of delivery; price; quality of service; location of the supplier; form of calculations; assortment of goods, offered by the supplier; the possibility of receiving unscheduled deliveries.

Arguments in support of the chosen point of view are:

1. Quality of goods, timeliness of delivery, price and quality of service can be considered basic criteria because they reveal supplier's ability to provide retail businesses goods of the appropriate quality in the required quantity at the set price, at the right place, at the right time with the maximum possible economy efficiency that coincides with the logistics mix.

2. Location of the supplier, payment form, assortment goods offered by the supplier and the possibility of receiving unscheduled ones supplies are additional criteria affecting the reduction of logistics expenses.

3 stage. Determination of supplier evaluation parameters.

4th stage. Analysis of possible and substantiation of potential suppliers.

The preliminary selection of suppliers provides a basis for the selection of possible ones suppliers, and the final one is for selecting potential ones. If the supplier from number of possible does not meet the main criteria, it is not included in list of potential. For preliminary and final selection of suppliers involve the opinions of experts.

Generalization of expert evaluations allows to determine the average characteristics of production enterprises according to the main criteria.

5th stage. Determining the significance of supplier selection criteria.

To establish the significance of the criteria, a pairwise matrix was used comparisons.

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After that, the component is calculated on the basis of expert evaluations eigenvector along the row of the matrix of pairwise comparisons according to the formula (2):

$$x_1 = \sqrt[n]{\frac{w_1}{w_1} \frac{w_1}{w_2} \dots \frac{w_1}{w_n}} \quad (2)$$

The weighting factor of the criteria is determined by the formula (3):

$$P_i = \frac{x_i}{\sum_{i=1}^n x_i} \quad (3)$$

6th stage. Compilation of matrices of pairwise comparisons by criteria.

To prioritize potential suppliers based on criteria matrices of comparisons with the original data were formed.

7th stage. Defining the vector of global priorities for each supplier

The vector of global priorities $G_{n,1}$ is calculated according to the formula (4):

$$G_{n,1} = X_{n,m} \times P_{m,1}, \quad (4)$$

where $X_{m,n}$ – is the matrix in which the j column is equal to the priority vector suppliers according to expert evaluations according to the j criterion;

$P_{m,1}$ – vector of priorities (weighting factor of criteria).

According to the composite matrices of pairwise comparisons of suppliers for priority vectors for suppliers were calculated as criteria.

8th stage. Analysis of the obtained results of supplier selection.

9th stage. Achieving the set goal.

Conclusions

In order to carry out procurement activities, each enterprise must first carry out operational planning of wholesale purchases of goods, justifying the choice of suppliers, and then conclude contracts on supply of goods.

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This step-by-step procurement of goods involves collection and processing a large amount of information about the volume of sales of goods for the past period, consumer demand and its changes in the future, the presence on the market of enterprises-manufacturers and competitors.

It should be noted that one of the main operations at the preparatory stage there is a justification for the choice of the supplier, since it is from the performance of this one the efficiency of the functioning of any enterprise depends on the work.

To build an economic-mathematical model of justification of the choice suppliers as an element of the purchasing trade enterprise was an algorithm for justifying the choice of suppliers is proposed, which includes stages, the passage of which allows you to select criteria and determine parameters for assessing supplier reliability.