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The mechanism to provide financial safety of logistics

Abstract

The article gives approaches to the definition 'financial safety of the enterprise'. It also states the classification of the types of the financial safety of the enterprise. The author of the article defines the principle vision of the notion 'logistics'. It gives the description of the financial logistic system. The author offers personal model of the mechanism to manage the provision of financial safety of the logistic formations. There have also been given the suggestions how to make the mechanism of the provision of the financial safety of the logistic formations work better.

Keywords: financial safety, financial safety of logistic formations, logistics, finance logistic system, mechanism, model, definitions, approach.

JEL Classification: F36, G30.

Introduction

Financial safety of the enterprise is a many aspect notion, that is why it is important to learn the paradigm and genesis, to use individual approaches in different spheres of activity. Today, most leading companies unite into a chain or a net in order to provide the financial safety, as they have the common working processes. The companies are separate business units, logistic formations which provide the task fulfilment that are connected with staff, financial and information currents. So, the problem of provision of financial safety of logistic formations is quite vivid nowadays.

Stating science problem and its significance. Under the circumstances of euro integration processes of nowadays, it is vital important to solve problems connected with threats and provision the financial safety of the enterprise, its functioning and development. The mechanism to provide the financial safety of the enterprise has to be formed and to be put into practice by means of all-sided solving the problems which are connected with various factors to be very difficult to control and foresee the modern environment of functioning of the system of the financial safety of the enterprise, and to compare the dynamics of changes, diagnoses of the state, quick adaptation and to make decisions how to manage depending from the field of activity. Financial safety of the enterprise is a many aspect notion, that is why it is important to learn the paradigm and genesis, to use individual approaches in different spheres of activity. Today, most leading companies unite into a chain or a net in order to provide the financial safety, as they have the common working processes.

The companies are separate business units, logistic formations which provide the task fulfilment that are connected with staff, financial and information currents. So, the problem of provision of financial safety of logistic formations is quite vivid nowadays.

Purpose. The aim of the article is to define the content of the financial safety of the logistic formations, optimize the mechanism of provision of financial logistic formations.

Research analysis of this problem. It is necessary to make an analysis in two science and practical approaches – in the part of the development of the financial safety of the enterprise, genesis and logistics. This problem has been tackled by the following scientists and economists such, as: A.I. Bartysh, T.V. Gavrilova, V.S. Dombrovskiy, A.O. Yepifanov, V.I. Kutsyk, G. Margasova, L.O. Matviychuk, O.L. Plastun, A.V. Rogoviy, I.O. Tarasenko, O.V. Chernysh. The issue of provision of financial safety of logistic formations was tackled in the works of B.G. Alkem, U. Ping and others.

The aim and the task of the article. The aim of the article is to define the content of the financial safety of the logistic formations, optimize the mechanism of provision of financial logistic formations.

To achieve the aim, the following tasks have been used:

- ◆ to show the approaches to define 'financial safety of the enterprise';
- ◆ to define the classification of the kinds of the financial safety of the enterprise;
- ◆ to define the principle vision of the approaches to the notion 'logistics';
- ◆ to describe financial logistic system;
- ◆ to offer the model of the mechanism of the management to provide the financial safety of the logistic formations.

The lay out and proving the research results. The companies work under unclear circumstances; imperfect financial, economical, legal and organizational mechanism in providing financial safety. The companies perform against a large number counteragents who pursue their own

purposes thus create treats the outer surroundings. This makes the necessity to set up relationships between the competitors. That is why it is in place here to consider the approaches as to the definition 'financial safety of the enterprise'.

Table 1. Approaches to the definition ' financial safety of the enterprise'

O.V. Chernysh I.O. Tarasenko	The main aim to achieve financial safety of the enterprise is its ability to counteract inner and outer threats, which may cause financial losses, negatively impact the capital structure change, etc.
A.O. Yepifanov, O.L. Plastun, V.S. Dombrovskiy	Provides well balanced and steady financial state, promote the effective activity of the company, at early stage allows to identify problems in company's performance, neutralize crises and prevent bankruptcy.
V.I. Kutsyk, A.I. Bartysh	Quantitatively and qualitatively defined level of its financial condition, which provides the steady safety against real and potential threats of inner and outer nature and create necessary grounds for financial supports in steady grow that current and future periods.
T.V. Gavrilova	The is the condition of the company at which its financial steadiness is provided due to necessary financial resources to fulfill the purposes; the control at all stages and wise usage of the financial resources may bring the important profit. The provision of the financial safety has to be grounded on the system of links and processes, which take place in side the company as well as beyond in interconnection with surroundings.
V.G. Margasova, A.V. Rogoviy	Financial and economical state of the company and the country at which the valuable use of all types of present resources is provided and fulfillment of all tasks are provided and necessary conditions for alls called strategic development in the future are created.
L.O. Matviychuk	shows the state of the development of the enterprise, correspondence of its financial and economical possibilities to conditions, which have been set up at the market and in the country in general, thus it gives the ability to estimate the correctness and expediency of the adopted financial strategy.

Source: prepared according to Tumar (2008, p. 118); Chernysh, Tarasenko (2009, pp. 22-23); Epiphanov, Plastun, Dombrovskiy (2009, p. 254); Kutsyk, Bartysh (2011, p. 106); Gavrilova (2011, p. 124); Margasova, Horny (2010, p. 135).

To have ample consideration of the financial safety of the enterprise it is necessary to point out its kinds (Table 2.).

Table 2. Classification of the kinds of the financial safety of the enterprise

Classification characteristic features	Classification kinds
Level of financial activity	- general financial activity -financial safety of separate structural formations - financial safety of separate financial operations.
Functional component of financial safety	- financial safety in the enterprise investment performance -financial safety in the enterprise credit performance - financial activity in the enterprise emission performance -financial safety in the enterprise innovation performance -financial safety in other kinds of the enterprise performance.
Different finance threats nature	-financial safety aiming to neutralize the threats -financial safety of the enterprise to predict potential threats
Threats source to finances	-financial safety, aiming to secure enterprise finances against outer threats
The nature of the secure mechanism of finances to be used at the enterprise	-financial safety of the enterprise to be provided with inner mechanisms to secure finances -financial safety of the enterprise to be provided with outer mechanisms to secure finances
Directing mechanisms to secure finances	-financial safety to limit the destructive impact of certain factors on enterprise finances; -financial safety to provide the finance loss make up which have been created by the threats to enterprise finances.
Time period	- short time period of financial safety of the enterprise -middle time period of financial safety of the enterprise -long time period of financial safety of the enterprise
Level of safety of the finances	-high enterprise financial safety -normal enterprise financial safety -insufficient enterprise financial safety
Factorsteadiness to provide finance safety	-steady enterprise finance safety -unsteady enterprise finance safety;

Source: prepared according to Klumenko (2011, pp. 64-73).

The practical significance of the suggested classification is the following: depending on the certain state of the financial safety of the enterprise

with in a certain period of time, there should be undertaken strategic and tactical measures as rapid reaction to adapt and work out necessary steps in

prevention of risks against bankruptcy and to use preventing actions. Under conditions of financial unsteadiness and in crisis situations in the country, the

important remedy to provide the financial safety is logistics. The definition of the term of logistics in managerial and functional aspects.

Table 3. Principle vision of the approaches to the definition logistics

Aspects of logistics	Logistics as a science	Logistics as a principle of management	Logistics as a process
Managerial aspect	Logistics is a science about management of the currents in the economical systems on the basis of harmonies interests of the enterprise on the basis of implementing the inner system and outer system compromises.	Logistics is a principle of the management of the enterprise or their union which is based on the integration of the current processes to harmonize their strategic interests.	Logistics is a process of management by all phases of the space and time transformation on the principles of optimization, systematization and complexes.
Functional aspect	Logistics is a science about planning and control of the processes, us age of logistic activities and logistic infrastructure.	Logistics is a principle of foreseeing to be based on the achievements of the corresponding level of the quality of management of the currents processes to provide economic safety of the enterprise under not clear conditions of market environment.	Logistics is a process of realization of strategy and plans of the complex systematic continuous optimization current processes on the condition of total satisfaction of the clients' demand.

Source: prepared according to Alkema (2011, pp. 69-70).

For the mechanism of provision the financial safety of the enterprise, it is very important to combine finances and logistics into financial logistics. Finance and logistics gather much of the same information, but they do it independently of one another. Both, for example, track inventory levels and the movement of product and funds throughout the pipeline. Finance uses the data in part to determine how and when it will extend credit. Logistics needs to monitor customer service in order to hone a competitive edge (Finance and Logistics).

Financial logistics is combined product of logistics services and financial services. In my

view, the financial logistics, including financial services functional logistics services, the main means: in the supply chain, the third-party logistics enterprises with an integrated financial and logistics of innovative services, its main services include: logistics, flow processing, financing, evaluation, monitoring, asset management, financial advice, etc. Financial logistics not only offers our customers high-quality and high-value-added logistics and processing services, but also improves the overall supply chain performance and business customers, and capital efficiency for clients of the financial services directly or indirectly.

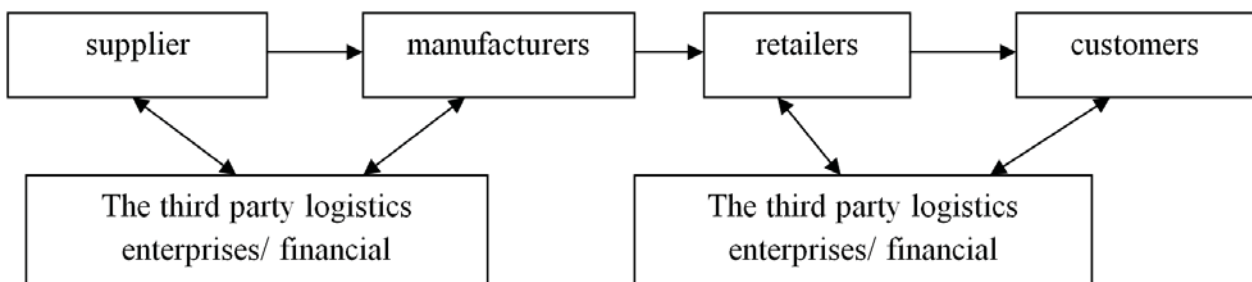


Fig. 1. Financial logistics system

Financial logistics system in Figure 1. Figure 1 can see from the visual, the financial supply chain logistics is innovative financial services products, the financial logistics providers (such as third party Supplier, Manufacturers, Retailers, Customers, The third party logistics enterprises Financial institutions, The third party logistics enterprises Financial institutions, logistics enterprises) through their own or their close

collaboration with the financial institutions for the provision of logistics and supply chain enterprises in the financial-services integration (Yu Ping).

Having investigated the approaches to the financial safety of the enterprise, the mechanism and logistics is illustrated in the following example of the management of the financial safety of logistic union (Figure 2).

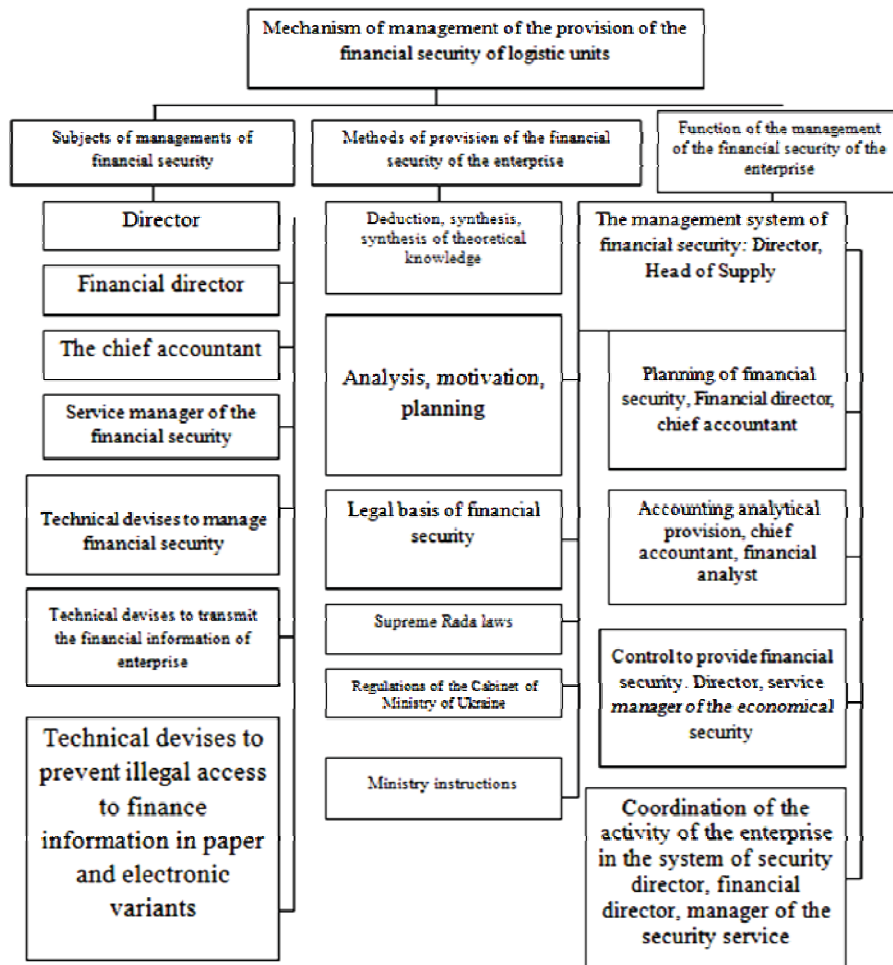


Fig. 2. The mechanism of the management of the provision of the financial safety of the logistic units

Source: personal research.

To achieve resultful mechanism of management of the financial safety of the logistic units, it is necessary to:

- ◆ perform constant diagnosis and monitoring of inner and outer environment of the enterprise to detect in time certain threats, dangers, risks and to be ready to get adapted to the changes to provide the continuous process to elevate the financial safety of the enterprise;
- ◆ estimate the financial safety of the enterprise on the basis of the systematic approach to calculate the figures in the dynamics, comparison, to detect in time dangers, threats to prevent them in time;
- ◆ determine the subjects of the system of the financial safety of the enterprise;
- ◆ plan the activity of the enterprise to counteract dangers and threats;
- ◆ form the single mechanism of the management to provide the financial safety of the enterprise;
- ◆ estimate the measures to provide the financial safety of the enterprise and undertaking controlling at all stages in producing activity of the enterprise.

Thus, the main aim to create the single effective mechanism of the management of the financial safety of the logistic units is to reach the final result – getting profit and provision of the best favorable financial environment.

Results

The article gives approaches to the definition 'financial safety of the enterprise'. It also states the classification of the types of the financial safety of the enterprise. The author of the article defines the principle vision of the notion 'logistics.' It gives the description of the financial logistic system. The author offers personal model of the mechanism to manage the provision of financial safety of the logistic formations. There have also been given the suggestions how to make the mechanism of the provision of the financial safety of the logistic formations work better.

Conclusions and perspective of the further research

Having investigated the approaches to the issue of the mechanism of provision of the financial safety of the logistic units, it is possible to draw the conclusion

that the financial safety of the enterprise is an element of the economical safety of the enterprise that defines the process of the development if there are corresponding financial resources, capital, earned by the enterprise, its correspondence the aims and mission, and taking into account the inner and outer threats; logistics is a science about management all currents in economical system on the basis of the harmonious interests of the enterprise by means of seeking inner and outer compromises.

The mechanism of the management to provide the financial safety of the logistic unit its needs joined actions which make the systematic approach, that is, the management at all stages of the manufacturing, detecting the problems, realizing the need to solve the problems, diagnosis and control and monitoring, making decisions as to the necessity of provision of the financial safety.

Financial safety of the logistic units is the process of the effective usage of the resources providing sufficient strategic management, rational usage of the main resources. The mechanism of the provision of the financial safety of the logistic units is the process to prevent possible losses, threats, different risks coming with the current time.

The mechanism of the provision of the financial safety of the logistic units must be clear and effective, must contain range of subsequent measures to fulfil them, must be steady against inner and outer threats, must ensure realization of the financial interests, missions and tasks, provide the continuous development, contain strategic analysis of the managerial decisions, planning and control of the integral of the financial safety. The given approach needs the further consideration.

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