

IMPROVEMENTS OF THE MANAGEMENT SYSTEM OF THE PROCUREMENT ACTIVITY ON THE BASIS OF LOGISTIC CONCEPT

Summary

Logistics of domestic agricultural enterprises is quite complex and often not efficient enough. This is due to the excessively large flow of supplies and sales of inventory. With the help of logistic flows, organizations are connected to external systems. Thus, on the basis of the conducted researches at agricultural enterprises we distinguished the processes of promotion, manipulation, storage, transportation and maintenance of stocks. It can be argued that absolutely each of them today needs to improve procurement activities (namely inventory management systems) based on a logistical approach. At the same time, the specifics of management of the logistic system of agricultural enterprises in modern conditions implies the need to adequately assess the level of efficiency of logistic processes of procurement. On this basis, we see the point in talking about the identification of key criteria and the formulation in accordance with this KPI-system. KPI or Logistics Metric is a measurement of performance used by logistics managers to track, visualize and optimize all relevant logistics processes in a fairly efficient and transparent way.

Thus, the developed system of indicators can be the basis for proper assessment of the efficiency of management of logistics processes in agricultural enterprises, namely in the context of procurement logistics. Based on the study of theoretical and methodological approaches to the use of tools for assessing the effectiveness of management, improved the method of analysis of management of procurement activities of agricultural enterprises, which involves the introduction of a developed system of indicators of management effectiveness - key performance indicators (KPI). Our research confirms the feasibility of developing a system of logistic indicators of the KPI at an agricultural enterprise and its interrelation with motivational tools, which will provide improvement of procurement activity and overall financial results. The correct formulation of the KPI list depends on the competence of the logistics managers.

Keywords: management system, procurement, logistics, agricultural enterprise, key performance indicators, manager, competence.

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