“The mechanism to provide financial safety of logistics”

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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.

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’

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>O.V. Chernysh, I.O. Tarasenko</td>
<td>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.</td>
</tr>
<tr>
<td>A.O. Yepifanov, O.L. Plastun, V.S. Dombrovskiy</td>
<td>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.</td>
</tr>
<tr>
<td>V.I. Kutsyk, A.I. Bartysh</td>
<td>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.</td>
</tr>
<tr>
<td>T.V. Gavrilova</td>
<td>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.</td>
</tr>
<tr>
<td>V.G. Margasova, A.V. Rogoviy</td>
<td>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.</td>
</tr>
<tr>
<td>L.O. Matviychuk</td>
<td>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.</td>
</tr>
</tbody>
</table>


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

<table>
<thead>
<tr>
<th>Classification characteristic features</th>
<th>Classification kinds</th>
</tr>
</thead>
</table>
| 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  
- 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 |
| 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 |
| Factor steadiness 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