

EFFICIENCY OF RISK MANAGEMENT IN LOGISTICS

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In the modern world, logistics is the most important element of the economy, ensuring the uninterrupted movement of goods and raw materials between manufacturers, distributors and end consumers. However, logistics processes are fraught with many potential threats, such as delays in deliveries, cargo damage, supply chain disruptions, and the impact of political factors. Competent management of these risks allows you to reduce costs, increase efficiency, strengthen the company's reputation and improve customer loyalty.

One of the key benefits of logistics risk management is the reduction of financial losses. Unmanageable logistics risks can lead to significant losses. For example, delays in delivery can lead to increased storage costs and penalties for failure to meet deadlines. Improving efficiency also plays an important role in logistics management. Various failures in the supply chain can slow down the entire system. Companies that analyze possible risks in advance and develop strategies to prevent them can significantly improve their operational efficiency. According to Statista, the introduction of digital logistics management technologies, such as process automation and real-time cargo tracking, has increased the productivity of supply chains by 25% [1]. The reliability of the logistics process directly affects the level of customer satisfaction. Consumers expect timely and accurate delivery of goods. A logistics risk management system minimizes disruptions, which has a positive impact on customer perception.

A company that consistently fulfills its obligations to deliver goods and ensures its proper condition forms a reliable reputation, which helps to increase the customer base and attract new partners. According to the Harvard Business Review, businesses with highly reliable logistics operations are 30% more likely to be awarded long-term contracts [2].

Logistics disruptions can have serious consequences for companies. For instance, according to a report by the World Economic Forum, global supply chain disruptions during the COVID-19 pandemic resulted in a loss of \$1.5 trillion. Companies that actively implement a logistics risk management strategy can significantly reduce the likelihood of major business disruptions [3].

Modern technology can reduce the human factor and increase transparency in the supply chain. The introduction of GPS-tracking, blockchain, and predictive analytics has improved supply control and predicted potential disruptions. In addition, regulation and compliance are important aspects of logistics risk management. Violations of international trade rules can lead to delays, fines, and reputational damage, so companies should keep an eye on changes in legislation, tax rules, and product certification requirements. Building sustainable partnerships can also help reduce the risks associated with logistics. Working with reliable suppliers, transport companies and brokers reduces the likelihood of problems arising, while long-term contracts with clear obligations to all parties help minimize possible difficulties.

Effective logistics risk management requires a systematic approach that includes threat analysis, route diversification, use of digital technologies, legal protection, and the development of partnerships. In the face of global uncertainty, flexibility and preparedness for rapid change are emerging as key competitive advantages. Companies that focus on logistics risk management can minimize losses and ensure the long-term sustainability of supply.

References

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