

**MINIMIZING RISKS IN LOGISTICS
AS PART OF THE ECONOMIC PROCESS**

Leonov A.A., student,
Zhiromski S.V., master student
Scientific supervisor – Slesaryonok E.V. senior lecturer
English language department №1
Belarusian National University of Technology
Minsk, Republic of Belarus

Today, an unexpected factor called risk can suddenly arise in any field of human activity. Logistics activities are not something special, there are also many situations associated with risks. When organizing transportation, people working in the logistics sector are highly responsible, which naturally implies the occurrence of certain risks.

Logistic risk is a certain type of risk that occurs in any branch of logistics activity. It covers all stages of the supply chain from the beginning of the production of services and all kinds of goods to the moment of their delivery to the final consumer, including storage and transportation to the final buyer.

Risks affect the parameters of the movement of commodity flows, and this, in turn, leads to disruptions in the organization of the supply chain. In addition to monetary losses from losses and fines, the logistics company faces consequences that are difficult to deal with immediately. These include: termination of the continuous production and maintenance process, reduction of services, loss of partnerships or modification of the partnership agreement, a drop in revenue from the provision of services. Figure 1 shows how a failure in the supply chain affects the efficient operation of the enterprise.

It must be said that many situations that cause risks cannot be predicted. Therefore, organizations cannot expect what they will have to face at any given time. However, enterprises can effectively respond to these situations, which helps to stay in the same position and continue to develop.

To minimize risks during transportation of products, enterprises prefer to use the services of insurance companies. The insurance company guarantees coverage of the losses incurred by the logistics organization.

At the moment, insurance companies are of leading importance for the company in any transportation.

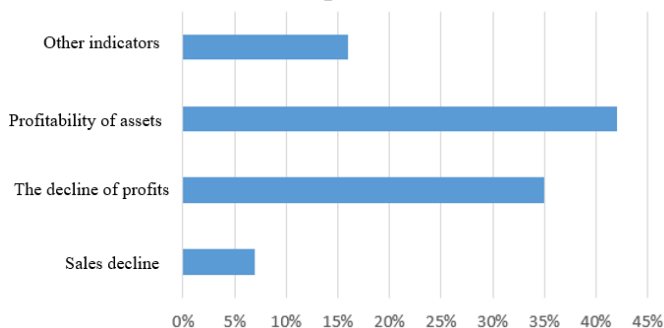


Fig. 1 - The impact of a supply chain failure on enterprise performance

Cargo insurance will always be an urgent decision on the part of the company. An insurance fund is created to compensate for damages arising in various situations. The purpose of insurance in logistics is the opportunity for suppliers to compensate for their costs of loss or damage to goods. This is a multi-level process in which all participants in the transportation are interested in the safety of the cargo. It is necessary to mention cases when it is profitable to draw up an insurance contract:

- 1) A full accounting of the characteristics of the cargo was carried out, all the rules of transportation on the part of the supplier were studied.
- 2) The carrier must ensure that the vehicle fully complies with maintenance standards and transportation requirements for various types of goods.

In this article, possible types of risks in logistics activities, types of insurance during cargo transportation were considered. It must be said that the main goal of the company is to deliver goods on time and in the right quality. Therefore, you need to be able to anticipate possible risks and use the services of insurance companies in advance. This will ensure the protection of all participants in the transportation.

References

1. Regulation of logistical risks [Electronic resource] – Mode of access: <http://projectimo.ru/upravlenie-riskami/logisticheskie-riski.html> . – Date of access: 10.03.2023.