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MANAGEMENT OF LOGISTICS IN ENTERPRISES WITH A FOCUS ON DISTRIBUTION IN THE REPUBLIC OF KOSOVO

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Abstract

The aime of this research is to provide a summary of contemporary activities that today are useful to manage the logistics of companies in general and particularly companies that deal with distribution efficiently and effectively. A summary of the logistics and the links or processes that accompany it, such as transportation, ordering, supply, warehousing, sales, distribution, etc.The time aspect of logistics systems includes analysis-planning and design, direction, control, calculation, and analysis of logistics services, including ordering, transport, warehousing, packaging, etc. The main purpose of logistics is to optimize and accelerate the process of circulation of materials, goods, facilities, passengers, animals, information, energy, etc., making it possible to reduce costs, maintain and reduce reserves. To carry out various logistics tasks, it is useful for companies to have cooperation but also integration in their activities, because logistics is in a trend of development and very dynamic change. It is beneficial for companies that offer and require logistics services to join credible international platforms, which help carriers find cargo to be transported and exporters or importers find trucks to transport their cargo. It is useful for the general principles of logistics and distribution to be applied in every country of the world and to minimize differences in maximum or try to be not noticed at all, this can be possible now by use of information technology applications and new transport technologies.

Keywords: logistic, transport, supply, storage, distribution.

GEL classifications: L90, L91, L98, L99

1. Introduction

Understanding that the global economy has dynamited processes, activities, and adapting to these trends helps responsible individuals and companies benefit from these changes and manage logistics processes at more reasonable costs.

As a process, supply chain management starts from the moment when the distributor analyzes the advantages, opportunities, weaknesses, and risks, if a cooperation agreement is established with a certain supplier until the distribution of products to the final customer. First must be collected the information about the supply prices, after that need to be calculated the costs, such as transportation, commissions, and market research, are calculated.

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In addition, the value of excise, customs, VAT, and other taxes for customs clearance of imported goods must be calculated. If after all these factors have been calculated and after the profit margin has been planned for the company, it is proven that the price is competitive in the market, then the distributor starts the negotiation process with the specific manufacturer of the products. In the negotiation process, among the important points are the volume of goods to be imported within a year, the conditions of transport and storage, the value of financial support, or the marketing budget, which would help promote and then encourage purchases by final consumers. The logistics system is divided into several subsystems such as subsystem of procurement, production, distribution, inverse logistics, and waste materials, etc. Logistics and supply chain are concerned with the physical and information flow and storage from raw material to the main distribution of the final product. To manage the logistics chain means to manage several phases or processes, which must be completed in series, one after the other, and in some cases and processes that are carried out in parallel.

Logistics as part of supply chain management has the task of planning, implementing, and controlling the efficiency, the effectiveness of the entire process of supply, storage, and distribution of goods, services, and information from the point of origin to the point of final consumption, to meet customer requirements. We can present this process as Supply Chain = Suppliers + Logistics + Customers. Some of the most important processes are: Negotiating and reaching of agreement; providing of payment instruments; Compilation of the order by the client;

Preparation of products and necessary documents for the export of goods by the seller; Organization of transport; Customs clearance process of imported goods at the customs terminal;

Unloading the goods and placing them inadequate positions in the warehouse and storing them; Invoice calculation and setting prices by the finance-accounting department; The commitment of senior management, marketing, and sales department to find new clients and reach cooperation agreements; Compilation of tax invoices by the finance-accounting department, after the orders, have been sent from the sales sector (sales agents), Distribution of products according to requirements - invoices for each client, market, chain of retail markets, Distribution of goods through retail markets.

2. Literature Review

Logistics is a system of activities that enable planning, training, design, control, governance with all processes and systems that enable channels of materials, people, energies, and information. (Dukoski 2013). Accoording to Mangla, S. K., Sharma, Y. K., Patil, P. P., Yadav, G., & Xu, J. (2019) food organizations must work on cold chain to manage logistics and distribution challenges to reduce wastage, decrease financial losses and to take environmental issues into account. Sales chain management is the process of planning, organizing, and controlling the flow of material - raw materials and services, from suppliers to final customers/buyers. (Bloomberg, David J.; Stephen LeMay, Joe B.Hanna 2009). The term "logistics" was introduced very early and had the meaning of defining the needs of the

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army for weapons, other means for defense, food, and other needs on the field. It was the Byzantine King Leontes (Period 866-911) who introduced it to military terminology. Sharma, R., & Shishodia, A. (2022) define logistics guidelines as a scientific and practical activity for safe strategic management of enterprise competitiveness in order to minimize logistics costs and commercial risks, optimize the company's logistics system and increase its profit and profitability. Refik Havolli, R., Ramaj, V., Ahmeti, A., (2016) shows that negotiation skills are in many cases the determinant of success or failure in the personal aspect of the individual, as a separate human being, and businesses as a wider collection. Straka, M. (2017) shows that distribution logistics, of its range of solutions, is focused on the proposal of distribution systems for enterprises and companies, allocation and placement of companies, warehouses and distribution centres, storing and technical equipment, optimization and dimensioning of the elements of distribution systems, optimization and development of distribution plans, the selection and optimization of modern information and expert systems in the area of distribution, defining the distribution circuits. Takwi, F. M., & Mavis, A. A. (2020) has conclude that logistics management has the potential of positively influencing performance on firms in terms of cost reduction, timely delivery, reduced lead time, demand realization, increased market share, quality products and customer service satisfaction. Ristovska, N., Kozuharov, S., & Petkovski, V. (2017) in their paper determines and defines the logistics activities that are of key importance to the company's success. Laird, M. (2012) find out that those logistics processes found to be of the utmost importance are: transportation, warehousing, packaging, and inventory management. The enterprise logistics management systems are consisting of several subsystems, one of them is production logistics subsystem to effectively plan, to manage and to control all flows of manufacturing processes. Hart, M., Lukoszová, X., & Taraba, P. (2013) shows that the enterprise logistics management systems are consisting of several subsystems, one of them is production logistics subsystem to effectively plan, to manage and to control all flows of manufacturing processes. Naclerio, A. G., & De Giovanni, P. (2022) find that firms need to implement a strong logistics system to manage the last mile and get high performance, which can be then reinforced through blockchain and omnichannel solutions. Bełdycka-Borawska, A., Zak, A., Ochnio, L., & Rokicki, T. (2021) in their research shows that the main criteria for choosing a supplier are quality, price and brand.

3. Methodology

The primary purpose of this paper is to share with interested readers our knowledge and experience in the field of logistics, estimating that it will be of interest to those who manage these processes, or who want to learn important things about logistics management. Much of the information we receive from the literature explains specific logistics processes but we can rarely find information on how supply chain management as a whole is done. The latest technological advancements and the globalization of processes in all areas define the goal that experiences and innovations from the field of logistics be transferred as soon as possible to the staff of logistics departments. The main purpose of this paper is to provide ideas on how to transport inventory throughout the supply chain of a distribution company, as efficiently and effectively as possible. The importance of business involvement to have staff

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with knowledge, skills, and competencies in logistics management with global character is the key factor for efficient logistics. This paper will take place in the interests of managers and others who are involved in any way with logistics. For this research paper, we are based on the scientific literature by well-known authors in this field, from the knowledge gained during the studies, from the knowledge gained by managing the company "Passable sh. pk " during the 28 years since its establishment. Recieving information and data from companies whose primary scope is product distribution. We are also based on the offers we have received from local and international companies and platforms. We have received statistical data from the Statistical Office of Kosovo, Ministry of Infrastructure, Ministry of Internal Affairs.

4. Customs clearance process of imported goods at the customs terminal

Once imported from different countries, the goods must be subject to control and customs clearance procedures. Usually, customs agencies are engaged in customs clearance procedures, which have their offices in customs terminals. The staff employed in these offices has the necessary knowledge for each material, product, technology, vehicle, etc. to know which customs code it belongs to and to present it in the form that is prepared before the customs inspectors go out to check the consignment. Sanitary and veterinary inspectors are also in control of the imported cargo. Kosovo Costums determined customs duties as a special type of indirect taxes, which are paid on the occasion and at the time of passage of goods across the customs border.

In addition to the documents prepared by the manufacturer (seller) and the transport company, the shipping agency also prepares the following documents:

- Unik Customs Document (UCD) - description of who is the exporter-importer and declarant, the item with total quantity, country of origin, identity and nationality of the vehicle of departure/arrival and crossing the border, customs office of entry/exit, a description of customs codes, customs value, VAT and excise if any, gross and net weight, the value of each item;
- Freight forwarding services invoice;
- Invoice of FVA (Food and Veterinary Agency) - for phytosanitary and veterinary control, in cases when food products are imported;
- **Payment order** for the total value of a payment of Customs, VAT, and excise for imported goods - issued by Kosovo Customs.

5. Reserve management or stocks in the warehouse

As part of the logistics system, warehouses are facilities, regulated spaces, which possess various equipment for handling goods, people, and other elements of the system, which have made possible the storage of goods and materials (raw materials), advertising materials, etc. The system for storage of goods stocks has the task of providing:

- Receipt and storage of goods, or storage of goods, protection, and security,

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- Equalization of supply and consumption, keeping stocks in optimal quantities,
- Timeliness of shipment and other necessary functions.

Managing product reserves or stocks is one of the most sensitive and important logistics processes. Keeping the products required by customers in sufficient quantities, optimal, and storing them in appropriate conditions is a prerequisite for efficient operation of the supply chain. Necessary infrastructure, such as facilities, machinery for unloading products from vehicles, and placement on shelves, refrigerators, air conditioning systems, surveillance systems, alarm systems, etc., is also a necessary factor for efficient management of this process. The close cooperation of the chief warehouseman with the brand manager is a precondition for the efficient management of the necessary quantities in the warehouse. Software programs are a great help and are also essential for managing the quantities needed for supply. In these computer programs, the number of stocks in the warehouse, the number of products sold in the past periods are tracked in real-time and, based on this, can be made the order for new supplies. Managing product deadlines is also one of the most important processes. Management under the FIFO system - First in, first-out method (FIFO), means that the goods that enter the warehouse first must also go out or be sold first. So, the first goods bought are also the first goods sold. This method of valuing inventory makes sense for a business to pursue because selling older goods first reduces the risk of inventory or stockpiling obsolescence. The order or determination of adequate places during the storage process is of particular importance. Products that have a higher sales flow are placed as close as possible to the point where the division or preparation for the distribution process takes place. Maintaining cleanliness regularly is necessary to maintain a clean environment.

6. Statistics on infrastructure and transport in Kosovo

From the statistics we have received from the Kosovo Agency of Statistics where it result that in Kosovo are used a variety of ways of transporting goods. Road transport is one of the predominant modes of transport of goods.

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Import

Table: 1. Types of forms of transport used in Kosovo for the import of goods during 2020-2021

Year	2019		2020	
TrspMode \ Indicators	KG	Value in €	KG	Value in €
00:NA	526,733	1,850,990	261,989	1,315,251
20:Rail	111,752,105	11,678,354	74,211,725	10,144,797
30:Road	4,707,419,596	3,373,215,334	4,757,995,345	3,199,677,071
40:Air	1,017,681	69,071,521	524,802	58,261,857
50:Post	8,048	422,073	3,222	267,011
90:Own propulsion	14,857,683	40,704,150	10,052,188	27,252,352
Total:	4,835,581,847	3,496,942,421	4,843,049,271	3,296,918,338

Source: Kosovo Agency of Statistics

Table: 2. Use of road transport for the import of goods in Kosovo for 2020 and comparison with 2019

	Year	2019:		2020:	
PartnerC	TrspMode \ Indicators	KG	Value in €	KG	Value in €
AL:ALBANIA	30:Road	1,151,601,486	223,851,974	1,060,996,728	190,958,397
MK:NORTH MACEDONIA	30:Road	809,271,928	240,598,236	702,424,111	188,707,607
XS:SERBIA 06/2007	30:Road	24,211,900	5,774,653	484,132,542	173,972,679
GR:GREECE	30:Road	361,936,362	194,176,287	332,354,465	138,391,902
TR:TURKEY	30:Road	293,444,180	427,160,318	315,305,577	406,164,908
BG:BULGARIA	30:Road	251,363,467	120,452,337	166,819,789	87,531,604
IT:ITALY	30:Road	174,246,413	218,307,938	151,155,699	182,848,784
DE:GERMANY	30:Road	143,331,520	402,899,270	138,952,108	397,450,533
ME:ME : Montenegro	30:Road	156,040,655	28,614,724	138,298,871	24,327,147
HR:CROATIA	30:Road	197,211,768	98,561,465	125,356,096	86,401,045

Source: Kosovo Agency of Statistics

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Table: 3. Use of rail transport for the import of goods in Kosovo during 2019 & 2020

	Year	2019:		2020:	
PartnerC	**TrspMode \ Indicators**	**KG**	**Value €**	**KG**	**Value €**
GT:GUATEMALA	20:Rail	85,056,100	5,072,564	56,314,570	3,011,472
CZ:CZECH REPUBLIC	20:Rail	0	0	4,865,264	615,703
PL:POLAND	20:Rail	0	0	4,304,300	3,190,322
KZ:KAZAKHSTAN	20:Rail	0	0	2,992,210	286,944
HR:CROATIA	20:Rail	934,620	411,021	1,674,300	392,833
DE:GERMANY	20:Rail	4,759,277	3,002,614	1,667,016	1,148,763
SK:SLOVAKIA	20:Rail	96,000	30,860	1,201,500	356,802
AT:AUSTRIA	20:Rail	871,852	334,440	743,353	441,319
SI:SLOVENIA	20:Rail	4,660,996	962,754	158,534	207,263
CH:SWITZERLAND	20:Rail	367,149	389,959	126,637	120,896

Source: Kosovo Agency of Statistics

Table: 4. Use of air transport for the import of goods in Kosovo during 2020 and comparison with 2019

	Year	2019:		2020:	
PartnerC	**TrspMode \ Indicators**	**KG**	**Value in €**	**KG**	**Value in €**
CN:CHINA	40:Air	291,366	14,762,257	160,827	11,330,920
DE:GERMANY	40:Air	55,701	6,414,263	36,384	5,126,989
US:UNITED STATES	40:Air	201,123	9,174,166	32,712	11,595,940
TR:TURKEY	40:Air	43,125	3,223,132	31,045	3,186,122
CZ:CZECH REPUBLIC	40:Air	10,044	640,994	26,237	894,050
IN:INDIA	40:Air	30,394	1,641,711	22,357	1,316,389
IT:ITALY	40:Air	29,725	3,335,058	18,826	2,394,286
GB:UNITED KINGDOM	40:Air	23,214	1,712,422	16,846	1,335,400
VN:VIET NAM	40:Air	23,170	1,242,405	11,749	952,837
AT:AUSTRIA	40:Air	12,001	1,469,790	10,657	1,206,732

Source: Kosovo Agency of Statistics

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Table: 5. Use of postal transport for the import of goods in Kosovo during 2020 and comparison with 2019

	Year	2019:		2020:	
PartnerC	**TrspMode \ Indicators**	**KG**	**Value in €**	**KG**	**Value in €**
DE:GERMANY	50:Post	4,088	157,331	1,183	102,481
CN:CHINA	50:Post	825	63,596	733	58,493
US:UNITED STATES	50:Post	1,468	63,697	633	22,947
JP:JAPAN	50:Post	26	2,396	121	14,655
CH:SWITZERLAND	50:Post	242	34,264	120	21,857
RU:RUSSIAN FEDERATION	50:Post	65	16,384	23	5,942

Source: Kosovo Agency of Statistics

Table 6: Length of roads in Kosovo by categories in km during the years 2011-2020

Category / Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Motorway	38	60.4	78	78	78	98	108	119.1	137.2	137.2
National	630.4	630.4	630.4	630.4	630.4	630.4	630.4	641.7	665.2	755.2
Regional	1,294.70	1,294.70	1,294.70	1,294.70	1,305.00	1,305.00	1,305.00	1,313.90	1,509.40	1,486.30
TOTAL	1,963.10	1,985.50	2,003.10	2,003.10	2,013.40	2,033.40	2,043.40	2,074.70	2,311.70	2,378.70

Source: Kosovo Agency of Statistics

Road transport - The territory of Kosovo has a road infrastructure suitable for the development of various business activities. The road network consists of 630 km of main roads. (Kosovo Motorization Association,2019).

Rail transport - Kosovo has a railway system of 333 km, which covers the entire territory of Kosovo, connecting north with south and east with west.The railway system, in addition to passenger transport for private and official purposes, also provides transport of various goods for business purposes, in Kosovo and abroad. (Kosovo Motorization Association,2019).

Air transport - Kosovo has a single airport, Prishtina Airport "Adem Jashari", which is one of the most frequented airports in the region. (Kosovo Motorization Association,2019).

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Table 7: Some of the types of motor and non-motor vehicles registered - 2016-2020

Year	2016	2017	2018	2019	2020
Vehicles	260,291	273,862	280,422	291,295	292,902
Trans vehicles, 3.5 and over 3.5 t	17,963	18,559	33,889	35,153	19,060
Trans vehicles, under 3.5 t	31,285	32,299	19,371	19,379	35,705
Minivans	2,841	2,535	2,917	2,977	1,768
Bus	1,916	1,949	2,326	2,135	1,794
Tractors	613	523	1,791	1,851	641
Trailer under 3.5 t	288	288	572	681	297
Trailer 3.5 and over 3.5 t	2,628	2,735	305	271	3,101

Source: Ministry of Internal Affairs

7. Conclusions

Logistics as a separate system is spreading and finding applications in all areas of the free market economy by synchronizing time activities. Proper study and knowledge in the field of logistics make it possible to reduce the cost of logistics processes, improve logistics processes (including the speed of processes, providing real-time information, warehousing and storage of goods), protection of the environment, along with social responsibility, not polluting it but also contributing to improving the quality of life.

Realizing the importance of logistics, almost every institution, company, or business has created logistics units or departments - the logistics sector, to optimize the flow of people, goods, capital, knowledge, and information.

In most developed countries, but also in our country, online sales have advanced and with this have been increased new innovative forms of logistics to realize it. Already in our country are opened many specialized businesses known as "express mail", which make the circulation or transfer of products from the seller to the final consumer.

The logistics department has a leading function to design logistics systems, coordinate logistics activities or processes within the enterprise, but also beyond, from the manufacturer to the final customer, which means the selection of the distribution channel. Also, logistics departments take care of infrastructure, vehicles, equipment for handling goods and other equipment, technology, etc. Usually, the companies from the regional countries (Serbia, Macedonia), which deal with transport, have more competitive prices than the local companies. This is since these countries have more exports and this allows their trucks to carry cargo in both directions.

Technological advancements and processes of globalization have made it possible to obtain information, best practices, exchange experiences, and many other things for logistic

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professionals. Logistics is an important economic activity that makes extensive use of humanity, transport equipment, and facilities, infrastructure, facilities, materials, and resources that affect a national economy.

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Links

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