

Abstract of the Article
"Transformation of Logistic Chain Management
under New Competitive Conditions"
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The article substantiate that the added value of a product, company or personnel is the difference between their input and output value. Accordingly, all business operations which create added value within a company should be considered in three aspects:

- the creation of a product added value;
- the creation of a company added value;
- the creation of personnel added value.

Nevertheless, in every company there are some business processes which don't create any added value (sometimes even decrease it); thus, one of the main tasks in the added value analysis is the exposure and liquidation of such business operations.

Business processes which create added value for personnel and company set up corresponding centers of value in certain companies. The aggregate of business processes which create the overall value of a product is the chain of value creation that has interbranch character.

The chain of value creation is the institutional instrument of logistic process structuring and management, which gives opportunity to comprehend motivation of its members, regarding the latter as subjects of motivation, creation, promotion and consumption of a value. It is evident that the driving force in the motivation system of value creation, its structure determination is a consumer, because he is the only one who pays for the final value. The previous chain members get a certain amount of aggregate reward paid by a consumer for the added value.

Such an approach basically changes conventional signs of production systems and other chains of value formations and transferring, and also radically transforms the system of enterprise strategic management, including creation of competitive strategies aimed at the formation of the necessary prerequisites of success in perspective. Since product value creation is made by all chain members collectively, and they are integrally responsible for such creation, a new form of competition is worth distinguishing, which specifies competition not of companies, but of value creation chains. Only the chains including a consumer as a member and a main motivating element of product value creation will win in such competition.