

# ISSUES IN THE TRANSPORT MANAGEMENT: THE CASE OF LITHUANIAN AND UKRAINIAN COMPANIES *TRANSPORTA PĀRVALDĪBAS JAUTĀJUMI: LIETUVAS UN UKRAINAS UZŅĒMUMU PIEMĒRS*

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**Abstract.** Throughout the years logistic companies struggled with all kinds of difficulties such as the shortage of qualified drivers, transportation costs, environmental regulations, supply chain finance, sustainability, high fuel costs, enhancing customer service and other. Companies need new innovative ideas and implementations if they want to overcome certain kinds of challenges. Consequently, this article tries to explain what causes these problems and what the possible solutions are the logistics companies can take in order to solve them.

**Keywords:** innovations, logistics companies, optimisation of transport costs, supply chain management.

## Introduction

The transportation and logistics industries have a crucial role in keeping the global economy going. Logistics companies are facing tremendous challenges due to shifting consumer expectations, technological changes, and new and stricter regulations. To solve these challenges, logistics companies must try different strategies and adopt new technologies that can improve their efficiency and sustainability. Doing so the logistics company will guarantee their success and ensure that they continue to provide definitive and cost-effective logistics services to businesses and consumers around the globe.

**The aim of the research** is to evaluate what challenges logistic companies face within transport and management in Ukraine and Lithuania.

**Objectives of the research** are:

1. To reveal the most common global challenges in transport and logistics management and the possible solutions.
2. To analyse the most common problems enterprises based in Lithuania face.
3. To reveal the problems the companies, operating in Ukraine experience and provide possible solutions.

**The object of the research** is problems companies have to deal with and the methods used to solve them.

**Research methods:** scientific literature analysis, structured interview.

The results of the research are provided in the conclusion part of this paper.

## Global transport management challenges

Transport, supply chain and logistics are essential operations for companies to remain competitive in the current significant economic activities. The transportation sector, especially the operational sector, is a significant source of greenhouse gas emissions and other harmful air pollutants that have devastating effects on humans and the environment, including global

warming. The negative effects of pollution have led to a growing worldwide interest in limiting emissions. Currently, the ability of commercial organizations to do so is based on various factors including low cost, low emissions, reduced production time, shorter lead times, reduced inventories, superior product diversity, reliable supply, efficient customer service, high value and ensuring skilful matching of demand, supply and production some of the transportation optimization costs (*Brdulak & Brdulak, 2021*).

Optimizing transportation costs is one of the main factors of transport management that helps business grow and stay competitive:

1. Route planning - transportation costs can be reduced by carefully planning routes which can shorten the transportation time and reduce fuel consumption.
2. Load consolidation – By maximizing payload capacity, companies can achieve cost savings and optimize logistics operations.
3. Maintenance - transportation costs can be optimized by maintaining the transport fleet which can reduce breakdowns and lengthen the lifespan of the vehicle.
4. Real Time Tracking – Real time tracking can help identify delays, improve decision making and help optimize costs (*Addup Networks Private Limited, 2023*).

According to Maina (*2023*), communication problems are encountered as well. Communication forms the backbone of the logistics industry, influencing every aspect of its operations. From real-time information exchange and supply chain visibility to customer service, collaboration, and crisis management, effective communication drives efficiency, reduces costs, and enhances customer satisfaction. The author mentions 4 key problems and their solutions to improve the communication in logistics:

1. *Real-Time Information Exchange* – it is important for a logistics company to have advanced technologies and digital platforms. Because of these innovations a company can reliably get real time information on shipment status, overstocking, delivery status etc. Being able to have live data in certain areas enables a company to foresee upcoming challenges and deal with them before any major customer dissatisfactions.
2. *Supply Chain Visibility and Transparency* – effective communication helps people stay up to date on all the information surrounding manufacturers, distributors, retailers, and end consumers. The supply chain runs better when there is total transparency between all the different parts that make up the supply chain.
3. *Customer Service and Satisfaction* – having a thorough and well-designed way for customers to give feedback is crucial. Setting up communication channels such as chatbots, emails, and customer service hotlines will insure and demonstrate commitment. It will also build trust and higher customer satisfaction.
4. *The use of Artificial intelligence (AI) in logistics*. It is used to automate and optimize processes such as route planning, demand forecasting, inventory management, delivery schedules, and tracking. AI-powered systems are able to quickly analyze large amounts of data from various sources to identify patterns and trends that can be used for predictive analytics (*Maina, 2023*).

Nevertheless, one of the main obstacles to automation in logistics is the fear of losing jobs and resistance from employees. This fear comes from the misconception that automation will completely replace human labour. Also addressing the cost of automated systems implementing automated logistics systems can be financially challenging as it requires significant investment in technology, infrastructure and training. And automation also needs careful consideration of various factors, such as the complexity of operations, existing infrastructure and compatibility with other systems (*Hellmuth-Sander, 2023*).

In general, supply chain logistics has to deal with the most challenging issues in transport costs, routing system, part and full loads, maintenance of vehicles and premises, recruiting of professional employees, and communication. Global companies, willing to stay

competitive have to implement new tracking and communication systems, use innovations in CRM and AI, and other.

### **Solutions by the Ukrainian transport company**

In order to analyse the problems companies, face in Ukraine and Lithuania, two logistics companies were interviewed with the aim to reveal the challenges companies face in transport logistics and the solutions for them. The data is analysed in the two sections, providing the insights for conclusion, as well as invitation to the further research of the issue.

The first company to be discussed wanted to remain confidential and hereafter will be referred to as company Y. It is a medium sized company, operating in transport logistics sector in Ukraine, mainly carrying cargo by road.

Their main issue to conduct is optimisation of transport costs. By produce a detailed analysis of current routes, modes of transport and costs this problem is solved. The company explores the possibility of optimizing routes in order to minimize distance and fuel consumption. Also, they invest in economical vehicles or upgrade existing ones using environmentally friendly technologies. By concluding wholesale discount agreements with fuel suppliers and implemented fuel management systems they monitor consumption and detect deviations. There is a use GPS and telematics technology to track vehicles in real time, optimize routes and reduce downtime.

Consolidating shipments where it is possible to increase load capacity and reduce transportation costs is also a way to reduce costs in the company. For example, cooperating with other companies for joint transport solutions, such as consolidation of shipments is always a good solution for your business.

Based on the research on global issues, customer communication seems to be a solution generating income, and taking a bigger market share. Therefore, the company advises to implement a convenient online service system, such as an application and a website that allows customers to easily book and track shipments. Ensure transparent and active communication throughout the delivery process, including notifications of delayed shipments or schedule changes. Offer flexible delivery options, such as time slots, delivery to specific locations, or expedited delivery for urgent orders. The customer service representatives promptly process requests, focusing on empathy and problem-solving skills. The company has created a special hotline for customer service or chat support by various messengers for immediate help and problem solving.

Based on the opinion of the representatives, company Y regularly collects feedback from customers through surveys or feedback forms to identify areas that need improvement and resolve problems promptly. Implementation of loyalty programs to improve customer interaction is highly recommended.

As implementation of AI is taking a higher pace in global businesses, company Y uses it is an important part of optimizing the company's operations. Artificial intelligence algorithms are used to optimize route planning and scheduling based on factors such as traffic patterns, weather conditions, and delivery times. The integrated chatbots or virtual assistants are already based on artificial intelligence that process ordinary customer requests in order to focus staff attention on more complex issues.

A great focus is places in to automate administrative tasks such as billing and documentation to reduce human error and improve operational efficiency. The company plans to continue to develop in this direction because by implementing such strategies, it can reduce costs, increase customer satisfaction and overall efficiency.

## **Solutions by the Lithuanian transport company**

Another company to be discussed is company X, operating in Lithuania. It is a thriving company that has over ten thousand employees and is successfully operating in fifteen European countries. Company X is capable of transferring loads from fresh foods to oversized cargo. It is a company that looks to the future and seeks new innovations.

Nevertheless, they tend to face the same problems, as most global companies in logistics: transportation costs, customer satisfaction, optimisation of processes and automation. Based on the interview, the company provides the solutions as follows.

First, it produces a detailed analysis of current routes, modes of transport and costs by explore the possibility of optimizing routes in order to minimize distance and fuel consumption. Another way is to invest in economical vehicles or upgrade existing ones using environmentally friendly technologies. Company X has concluded wholesale discount agreements with fuel suppliers and implemented fuel management systems to monitor consumption and detect deviations. A wide usage of GPS and telematics technology to track vehicles in real time optimizes routes and reduces downtime.

For a large company with branches in a number of countries, the main measures for evaluating customer experience is the customer satisfaction indicator Net Promoter Score (NPS). Customer feedback is particularly relevant to the company, as it provides an opportunity for each of its specialists to improve their performance. Also, they monitor and analyse surveys, pay attention to the places that cause the most inconvenience to the company's customers and improve them.

Company has a page dedicated to customers to register their cargo themselves, as well as track it during the journey. It also calculates the time of cargo delivery with an approximate error of 1-2 hours, thus giving an opportunity for the client to plan own time. Some documentation can be done online which helps to avoid human errors and track the occurrence of mistakes.

To help reduce the greenhouse gas emissions it uses electrical funiculars and nature-friendly vehicles. This is only a small part of what the company has, but there is still a lot that can be changed and improved in future.

O sum up, the most common ways to cope with problems in logistics are cost optimisation, customer service transparency and technologies for information and feedback exchange, as well as the adoption of AI in the systems of the company.

## **Conclusions**

1. As the literature analysis shows, the segment about transport management makes it necessary to understand the basic struggles a company faces while operating: route planning, load consolidation, maintenance, and communication. Optimizing these problems to the fullest extent will produce positive results in the company.
2. Ukrainian companies tend to solve their problems in such a matter that helps them reduce costs as much as possible. They use advanced technologies and apply them to the full extent in their business. To improve the CRM, a convenient online service system that produces feedback is implemented. The delivery systems are made flexible and customised. The usage of GPS and telematics plays a big role reducing transport costs. AI helps greatly optimise the processes, such as documentation and other.
3. The case of the Lithuanian company, shows very similar tendencies compared to the Ukrainian company's performance. The company has a similar plan for reducing the transportation costs and increasing the customer satisfaction. Implementation of GPS and telematics is also prevailing. Still the company uses NPS system for customer feedback in order to always analyse the quality of services provided and make fast solutions. Electrical

vehicles are introduced in company's activity with the purpose not only to act sustainable, but also to meet the newest regulations, be innovative and competitive.

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