

THE ROLE OF SUPPLY CHAIN SUSTAINABILITY IN STRENGTHENING THE BUSINESS COMPETITIVENESS

Introduction. Good practice in corporate responsibility generally requires companies to address both their direct and indirect, social, environmental and ethical impacts. A key indirect impact for companies with operations that have complex supply chains is the level of responsibility of their value chains participants (from suppliers up to final product delivery to the customer and after-sales services), including not only economic but also ethical, social and environmental aspects. Global investors and other stakeholders are also increasingly concerned about the potential risks posed to a company by the activities within its supply chain. The influences and complexity of today's market conditions are requiring innovative approaches to the way that business' relationships are formed and managed, promoting the role of contracts in shaping organizations and determining their success. In a modern networked economy, the contracting process, and measures to ensure the sustainability of relations with suppliers form the necessary strong coupling, which ensures the integrity of all links in the value chain. The efforts aimed on introducing modern system of supply chains management in business practice are important especially for industrial enterprises of countries with developing market economics due to weak institutional framework for doing business. For many Ukrainian enterprises, acuteness of this issue is increasing significantly in the current conditions when they are pushed to reorient at new markets of raw materials and sales of their products. Thus the topic of a paper, which is related to the organization of supply chain management in enterprises in the face of increasing global competition, one should recognize as relevant.

The aim of the paper is twofold: (1) to generalize modern approaches to management of supply chains, which ensure the sustainability of a business and thus strengthen its competitiveness, and (2) to identify ways how to facilitate the implementation of these approaches in the management practices of Ukrainian enterprises.

Methodology and research approach. To gain a understanding of its aspects, the concept of sustainable supply chains management is explored through a literature review of current research of leading scholars on this topic initially. Then, ways to introduce this approach in practices of Ukrainian enterprises are determined on the basis of a study of available empirical data, scientific literature, laws and regulations relating to the providing of the sustainability principles in the business activity. In doing that a number of general and special methods were used, such as: theoretical generalization,

abstract logic; synthesis; comparative and structural analysis.

Revising the literature on sustainable supply chain management.

Supply chain management is primarily a task for business, producing and delivering goods and services. How this is accomplished is dependent on market demands and expectations. Both the *why*: drivers, and *how*: relevant tools, must be assessed to examine the market readiness and current capability of sustainable supply chain management. There is also a need to define what means sustainability relatively to supply chain management is. Today the efficiency of enterprise's operation can not be considered without regard to its environment, as it determines, to a large extent, a success or failure of an enterprise. Changes in the enterprise's environment might create both chances for company, but also a threat. Thus, the behaviour of the market is a consequence of the impact of the environment in which companies operate, which is complex and difficult to predict. Changes of global markets conditions lead to changes in the business environment, which, in turn, forces the management of an enterprise to search for new approaches to achieve the main objectives, implement technological and organizational innovations, review the management system for the entire value chain added.

Supply chain management (SCM) became a research issue during the 1980s and is defined as the control of the supply chain operations, resources, information and funds in order to maximize the supply chain profitability or surplus. SCM focus on economic performance in the attempts to create customer values through the supply chain [1, p. 69]. SCM also can be defined as the management of flow of products and services, which begins from the origin of products and ends at the product's consumption. It also comprises movement and storage of raw materials that are involved in work in progress, inventory and fully furnished goods. Thus Supply Chain Management refers to the management of an interconnected network of businesses involved in the ultimate delivery of goods and services to customers. It entails the storage and transport of raw materials, the process of inventory and the storage and transportation of the final goods from the point of manufacture to the point of consumption [2, p.1 - 2].

The concept of supply chain management has evolved in line with how varied theoretical approaches and management practices in relation to the factors that determine the competitiveness of the enterprise, as well

as the nature of competition in the global economy in general and the increasing requests for social and environmental responsibility. Initially, the SCM has been applied as a tool that an enterprise is using for dealing with upstream material flows from suppliers to production processes. However, by the mid-1990s, there was a change in orientation, and focus has shifted from the only upstream segment up to the entire supply chain. And to the first decade of the current century, one can observe the onset of the next phase of the focus shift – from SCM to strategic and globally oriented supply chain management [3, p. 157]. Corporate competitiveness and economic success relies more and more on superior agility and collaboration capabilities. Many firms are included in the value chain, which form a formal or informal clusters or other forms of the same type of product manufacturer networks, especially small ones. Cooperation instead of confrontation is fundamental rule of value chain collaboration under modern global competition [4, p. 14 – 16]. Currently, we are observing the third shift, when the concepts of sustainability and socially and environmentally responsible business is incorporating in the theoretical framework and practice of overall management and supply chain management, in particular [5 – 13]. Michael Porter and Mark Kramer suggest that the competitiveness and prosperity of the communities in which business operates are interdependent, and that perhaps the recognition and use of the interdependence between social and economic progress is the basis for the next phase of global economic growth [14]. Thus, more scholars in academic circles and more companies in practice are positioning modern supply chain management as a responsible supply chain management (RSCM) or sustainable supply chain management (SSCM).

The definitions of “sustainability” are very different. Some authors consider that the definition encompasses the business role in addressing environmental, social (human rights and labour) and corporate governance issues, as covered by the Global Compact’s ten principles [15, p.16]. Sustainable supply chain can be defined as the management of environmental, social and economic impacts, and the encouragement of good governance practices, throughout the lifecycles of goods and services.

Basic research material. In the era of global competition, with diminishing difference between the brands and the increased role of the media, businesses that go beyond the traditional elements of the marketing mix, but still incorporate these elements to intangible assets, such as identity, reputation and value of the company, become more competitive. This is particularly important when these values represent a strategic advantage, because they create value not only for customers but also for other stakeholders, such as employees, investors, customers or local communities. Therefore, awareness of socially responsible activities of a company will be

positively related to the attitude of the company. The objective of supply chain sustainability is to create, protect and grow long-term environmental, social and economic value for all stakeholders involved in bringing products and services to market. Through supply chain sustainability, companies protect the long-term viability of their business and secure a social license to operate.

At every stage in the life cycle of specific products, there are social and environmental impacts, or externalities, on the environment and on people. In addition, governance, or the accountability of organizations to their stakeholders for their conduct, is important at every stage throughout the supply chain. The Global Compact encourages participants to engage with suppliers around the ten principles [16, p.11] and to advance sustainable development objectives as part of their commitment to the Global Compact, and thereby to spread good corporate citizenship practices throughout the global business community. As the table below outlines, the ten principles are also intricately tied to sustainability in supply chains.

In order to avoid complicity in abuses, businesses should seek to ensure that they do not cause the rights of workers and others affected by their supply chain

to be infringed upon, including the right to freedom of movement, freedom from inhumane treatment, the right to equal pay for equal work and the right to rest

and leisure. The rights of all peoples to work in safe and healthy working conditions are critically important too [17, p. 26]. Companies can also begin to address human rights (including and beyond labour conditions) alone or by working with partners to promote a broad range of human rights such as gender equality and access to education and health.

Environmental impacts from supply chains are often severe, particularly where environmental regulations are lax, price pressures are significant and natural resources are (or are perceived to be) abundant. These impacts can include toxic waste, water pollution, loss of biodiversity, deforestation, long-term damage to ecosystems, hazardous air emissions as well as high greenhouse gas emissions and energy use. Companies should engage with suppliers to improve environmental impacts, by applying the precautionary approach, promoting greater environmental responsibility and the usage of clean technologies.

The significant corruption risks in the supply chain include procurement fraud and suppliers who engage in corrupt practices involving governments. The direct costs of this corruption are considerable, including product quality, but are often dwarfed by indirect costs related to management time and resources spent dealing with issues such as legal liability and damage to a company’s reputation. Companies that engage with their supply chains through meaningful anti-corruption programmes can improve product quality, reduce fraud and related costs, enhance their reputations for honest busi-

ness conduct, improve the environment for business and create a more sustainable platform for future growth.

The most important thing to do nowadays is to improve the management of the supply chain. It will allow to minimize costs, identify competitive advantages and control the risks associated with corporate reputation. Globalization has given rise to large and complex organizations, and thus today it is difficult to ensure that a company has a 100% national nature. The majority have business partners, suppliers and customers abroad. However, this feature is not perceived by the consumer who does not differentiate between the company and the links that make up its supply chain. Hence the consumers' purchasing decisions are based on the general perception which they have of a particular brand [18, p.17].

The company that wants to control its risks related to corporate reputation and protect its value, begins by ensuring an adequate management of the supply chain. It is essential to ensure that all parties in value added chain share the same values, management standards and regulatory compliance, to ensure proper control of the risks in the supply chain. According to the particularities

of each sector, company or working environment, the risks of the supply chain may be different. Hence, in order to diagnose risk it is necessary to answer the following questions presented in the table below. The brand, the product, the sector of the activity and the country of origin of the supplier influence its risk perception. There are certain stages in the management of the supply chain. Having defined the risk level of each provider, the client company will establish a personal working relationship with each of them. For this it is advisable to define the minimum requirements on which the company needs to have information and then to verify their compliance. These requirements must be aligned with the corporate values of the company, so in the future it will be easier to ensure the alignment of the company with its supply chain.

The first steps in developing a supply chain sustainability programme are to evaluate the business case for action and understand the external landscape. These efforts will help identify the highest priority supply chain issues for a company, evaluate risks and opportunities and build the internal support to move forward.

Table

Standard questions for the definition of risk zones in supply chains

Does the company have a brand known by the final consumer?	Do any of my providers supply me with high risk products or do they come from a high risk sector? ⁽¹⁾	Do any of my direct suppliers work in high risk country? ⁽²⁾	Risk of the supply chain
Yes	Yes	Yes	Very high
	No	No	High
Yes		No	
No	Yes	Yes	Moderate
		No	
	No	Yes	Low
		No	

⁽¹⁾ High-risk sectors and products.

⁽²⁾ The World Bank considers high-income countries (high Income/other high Income) as safe countries. By default, low-income countries as well medium/low and medium/high, could be considered as risk countries.

Source: [18, p. 19].

There are many compelling reasons for taking action to improve social and environmental impacts throughout the supply chain. Many companies are driven by their corporate values and culture to address sustainability issues. For these companies, the fact that supply chain sustainability is the right thing to do and is a driver of social development and environmental protection helps create internal buy-in and commitment. Many companies also identify specific business drivers for supply chain sustainability. The business case for a particular company depends on a variety of issues including industry sector, supply chain footprint, stakeholder expectations, business strategy and organizational culture. Supply chain sustainability management practices that respond to multiple drivers can maximize the value to business.

One can describe *managing risk* in such manner. Companies can protect themselves from potential supply chain interruptions or delays associated with suppliers' human rights, labour, environmental and governance practices by ensuring suppliers have effective compliance programmes and robust management systems covering all the areas of the Global Compact Principles. For companies who have a single source for key inputs, managing risks is also critical to ensuring continued access to those resources. Increasingly, customer and investor expectations are driving companies toward more responsible supply chain management. Strong management of social and environmental issues can help companies address reputational risks. Finally, companies also use supply chain sustainability to ensure that their suppliers can adapt to anticipated strengthening of envi-

ronmental regulations, extended product responsibility legislation and to reduce potential future liability.

As for realizing efficiencies, a focus on realizing efficiencies in the supply chain can *reduce a company's supply costs* while also reducing the environmental footprint of a supply chain, including energy, water and natural and synthetic material use, as well as improving worker health and, motivation, and productivity. Benefits include:

- strong labour and health and safety practices which may result in cost efficiency and improved productivity;

- increased understanding of key processes in the supply chain, including natural resource management and extraction, logistics and manufacturing, which enables better management and stewardship of resources;

- more efficiently designed processes and systems which reduce required inputs and lower costs.

Productivity and efficiency initiatives require a full understanding of the different steps of the supply chain and the key social and environmental impacts and cost drivers.

By addressing the root causes of issues through strong communication capabilities, in-depth understanding of business drivers and sustainability trends and shared assessments and priorities for improvement, companies can drive improvements and derive the benefits. At last, creating sustainable products collaboration with suppliers on sustainability issues can foster product innovation. Companies embarking on such initiatives have added new features and performance characteristics to existing products and even generated new products. For example, sustainable products may result in fewer negative environmental impacts than traditional products or have improved end of life collection and disposal options. It is also possible for the sustainability of products to be a differentiating factor and to lead to increased sales for some companies.

Companies should also invest in *understanding the expectations of their stakeholders* including national and local governments, workers' and employers' organizations, nongovernmental organizations (NGOs), advocacy and activist organizations, academic and issue experts and community groups, as well as suppliers themselves.

Moreover, companies can also benefit from seeking input from customers and investors. Customer and investor demand is a primary driver for many supply chain sustainability programmes, and insights from these stakeholders can help shape programmes to ensure that they create the maximum return for the company. Engaging stakeholders early and regularly in the process of designing a programme can help companies identify relevant standards and approaches to sustainable supply chain management. Some stakeholders are knowledgeable about, and sometimes even involved in the development of, different codes of conduct and certifications for suppliers.

Emerging risks and opportunities in supply chains.

From customers and employees to activists and NGOs, stakeholders are often the first to identify emerging environmental, social and economic issues in the supply chain. Companies who engage early and regularly with stakeholders have the opportunity to take a proactive approach to these issues and to partner with stakeholders rather than discovering the issues through an activist campaign. Early identification of issues through stakeholder engagement can also help companies take early leadership in comparison to peers.

Customers and investors are increasingly expecting that companies understand and manage impacts in their supply chains. Investors want to ensure that companies are aware of and are mitigating key risks affecting their supply chains. In addition, they are interested to know how companies are creating value from supply chain sustainability.

Consumers and business customers are also encouraging companies to more closely manage their supply chains. In particular, some consumers are seeking more sustainable products; while business customers may include supply chain sustainability in their supplier selection criteria. Having a clear vision and objectives for a company's sustainable supply chain programme will provide direction for strategy and help to define a company's commitment. A vision will be a helpful yardstick in evaluating the success of the programme and in identifying areas for continued improvement.

It is important that the development of a company's vision and objectives are championed from the top of a company. This is critical to ensure the success of the programme. Moreover, to ensure support from company leaders, it is important for executives and senior managers from all parts of the business related to the supply chain should be consulted in this process and have a say in the development of the company's vision.

Companies should consider how they can include representatives from supply management functions such as procurement and operations as well as corporate responsibility, design, marketing, logistics, quality assurance, compliance, legal, human resources and environment, health and safety functions in creating the vision, as each of these functions will have a role to play in the implementation of the sustainable supply chain programme. For smaller companies, it is equally important that leaders agree on the vision for sustainable supply chains. The output of the process should be a statement of vision and commitment. Based on the business motivations and objectives, management can craft a vision statement that reflects what it's considered as long-term success for a programme.

Codes of conduct are critical to establishing and managing expectations for both customers and suppliers. They create a shared foundation for sustainability, from which supply management professionals, suppliers and other actors can make informed decisions. For many

companies, a supplier code of conduct is a natural extension of corporate values statements and seen as an affirmation of existing expectations rather than a new set of requirements. When developing codes of conduct, there are a number of international standards that should also be consulted and referenced. The Global Compact principles outline each of the areas that need to be covered for a code of conduct to be considered comprehensive.

In order to meet a company's goals for supply chain sustainability, the code should be used as the foundation for setting internal and external expectations and as a framework for action and engagement with suppliers and other stakeholders. A new code needs to be shared throughout a company to raise awareness of the standards it describes. Supply management professionals will need to gain familiarity with the elements of the code in order to communicate it to existing and new suppliers and to explain how your company intends to work with suppliers to ensure compliance and continuous improvement. Possible mechanisms include internal websites, recurrent trainings particularly for new staff and regular communications from senior management to reinforce the importance of the code. Also, depending on how large and complicated a company's structure is, it may be helpful to establish internal policies and procedures to explain how the code should be implemented by staff.

Companies often take a variety of approaches to communicating codes to suppliers including:

- A special, one-time communication. This approach is often most effective when the communication comes from a senior level executive in a company.
- Inclusion of the code at first points of contact with suppliers. Companies are including the code at the very start of new relationships with suppliers by posting it on their websites and including it in requests for proposals/price valuations. This helps to raise awareness among potential suppliers of the importance sustainability will play in their relationship with the company.
- Integration of the code into supplier contracts. Many companies also integrate the code into supplier contracts, or into purchase orders, by asking their suppliers to commit in contracts to complying with the expectations set out in the code.
- Review of the code at a regularly scheduled business meeting.

The next step in designing a sustainable supply chain programme is to determine the scope of the programme. Often companies that are just starting out in supply chain sustainability seek to, or feel pressure to, engage their entire supply chain. However, given the size and spread of most companies' supply chains, and the resources that will be required for effective engagement, this is typically unrealistic.

Many companies therefore chose to focus their programme on their "key" or most "strategic" suppliers,

which are often those that the company sources directly from, has significant spend with and/or views as critical to production. In addition, there may be particular "hot spots" in the supply chain, even several steps removed from company operations, which could need immediate attention because of the high level of risk. For example, electronics companies are trying to avoid contracts with suppliers that are extracting minerals in the regions affected by social conflict and where human rights violations are present.

The objective of determining the scope of the programme is to identify which of a company's suppliers should engage with and to what extent, noting that programme boundaries tend to change over time as companies become more sophisticated and capable to manage supply chain sustainability more effectively.

Sub-tier suppliers are defined as those companies that supply to final suppliers; they are all the companies that do not source the company directly but that provide inputs for their products and services. For example, in the information technology sector, mining companies are sub-tier suppliers because they provide the metal that goes into electronic components. Similarly, in the financial services sector, some computer hardware manufacturers are sub-tier suppliers because they provide the servers that other information technology companies use to operate data centres.

Many companies struggle with whether and how to include sub-tier suppliers in the scope of their supply chain programme because of the lack of direct interaction and perceived lack of influence.

However, many companies and industries have found that sub-tier suppliers have the most significant challenges in addressing sustainability issues. It is strongly recommended that companies be aware of where sustainability challenges are likely to arise by mapping their entire supply chain. Their managers can then evaluate the importance of the issue to the business and its potential impact on society to determine if or how to include it in the scope of a company's supply chain sustainability programme.

To understand the appropriate scope for managing sustainability in the supply chain of a company, one must first define what a company's supply chain is. A supply chain map helps to trace the key activities of organizations and people involved in bringing a product or service from raw material to market. There are two main steps to mapping risk in the supply chain [19, p. 8]:

1. Identifying risk events. Events, such as underpayment of wages at a factory in a company's supply chain, can create risk for the business. Internally- and externally-driven events that may not only be against the law but may also affect the achievement of company's sustainable supply chain and business objectives must be identified. Risks can include business continuity, regulatory, reputational, market acceptance and customer requirements risks. External stakeholders may also iden-

tify other social, environmental, economic and governance risks which a company will have to evaluate for their potential impact on the business.

2. Assessing the likelihood and severity of risk events. Risk events should be analysed to understand their likelihood and potential impact. This will determine how they should be managed under a company's supply chain sustainability programme.

Many companies find it helpful to plot each risk event on a grid, where the two axes are "likelihood of occurrence" and "severity of consequences". It is also possible to include additional dimensions and inputs to

create the risk ranking. For example, stakeholder perception of risks may be different, and a company may want to take this perspective into account as well in setting priorities for action. Finally, in order to use this analysis to effectively segment a company's supply chain, it is needed to translate risks to types of suppliers.

The Figure below shows the tools that are used by companies across a wide range of industries to engage with suppliers on supply chain sustainability. Each has specific purposes, and it is important to have a strategic process to determine which supplier engagement tools to use and to what extent.

Tools for engaging with suppliers on sustainability

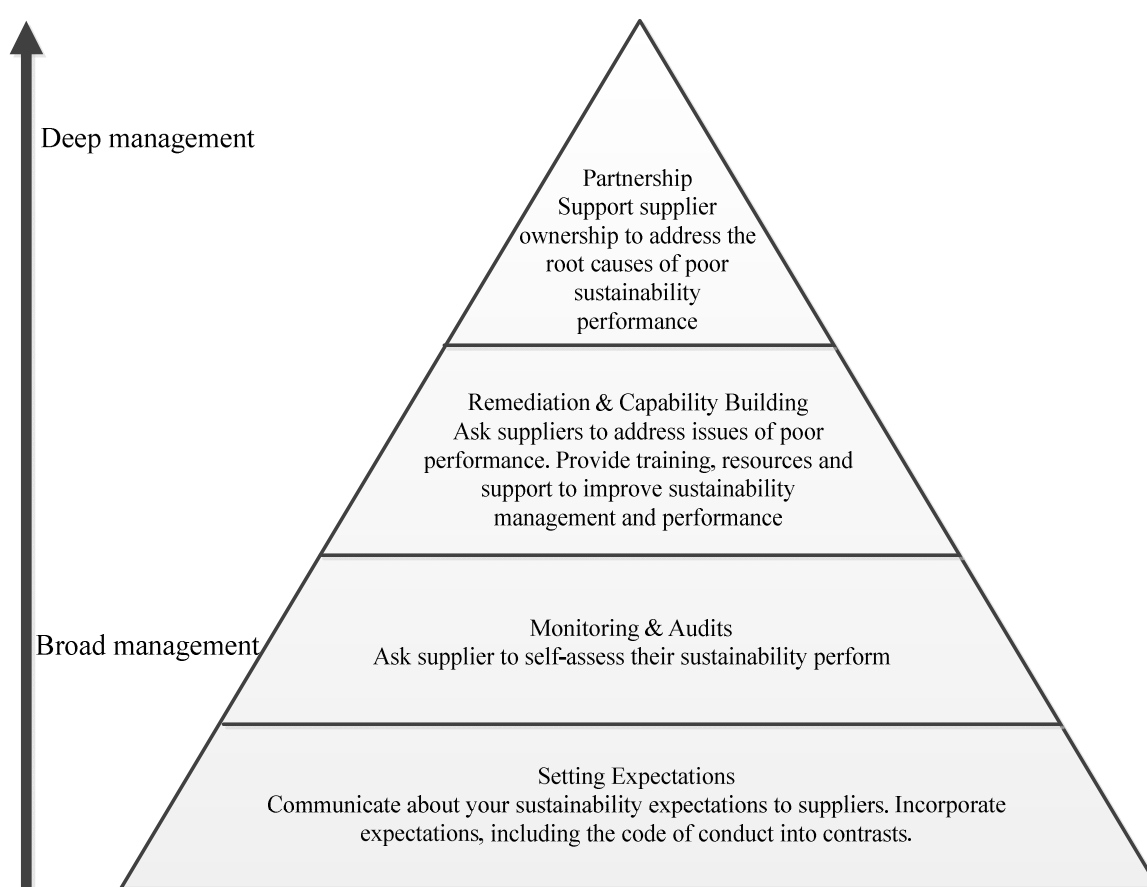


Figure. Tools for engaging with suppliers on sustainability

Source: [20, p.13].

Supply chain sustainability is an evolving vision, which means that it is critical to have an approach that defines and incentivizes continuous improvement. This approach should include both remediation of instances of non-compliance as well as investment in suppliers' management capabilities.

Remediation can include a number of activities:

- Working with suppliers to create a corrective action plan for achieving compliance in a clearly defined and reasonable time frame.

- Encouraging improvements through regular communications with non-compliant suppliers.

- Defining a roadmap for gradually increasing standards and expectations.

- Terminating supplier relationships when serious shortcomings on "zero-tolerance" issues are not remedied in spite of repeated notifications. Companies should identify zero-tolerance issues and explain their selection and consequences to suppliers in advance. Companies should also explain in advance the process

for remediation and at what point continued noncompliance may result in termination.

It is important that remediation requirements are communicated very clearly to suppliers, and that there are established timelines and consequences for not meeting them or continuing poor performance. Remediation efforts are most successful in combination with efforts to build suppliers' management capabilities. Capability building includes a variety of efforts, from training for supplier personnel to establishing worker hotlines and resource networks. For example, through a combination of practical workshops, training and in-factory consultations, the International Labour Organization's (ILO) Factory Improvement Programme (FIP) helps factories increase competitiveness, improve working conditions, and strengthen collaboration and communications between managers and workers [20, p. 19].

Companies sometimes find that they have significant risk in the suppliers who are one or more links away in the supply chain. For example, food and agricultural companies have faced significant challenges recently with child labour on farms, which they rarely buy from directly. The electronics industry is struggling with mining in conflict zones for the minerals that go into their products.

Engaging with sub-tier suppliers has additional complications beyond those described above, including lack of transparency in the supply chain and lack of company leverage.

To overcome these obstacles, companies are pursuing a number of strategies including:

- Participation in industry collaborations. By collaborating with other companies, you can pool your leverage to increase your voice to sub-tier suppliers. You can also share the costs and resources required to engage with these suppliers
- Engagement in public policy. Many companies also overcome their lack of leverage by seeking legal and regulatory redress of sustainability issues.
- Supply chain optimization. Individual companies can also take steps to shorten their supply chains by grouping smaller suppliers into cooperatives and reducing intermediaries. This can also increase the revenue that small suppliers earn.

Ukrainian companies, especially large ones, should encourage their suppliers to elaborate their own sustainability strategy. One way is to encourage them to join and participate actively in the Global Compact and Local Networks around the world. Joining the Global Compact is a sign that the supplier is taking sustainability issues seriously and trying to become a competitive player on global markets.

Conclusions. Introduction of methods and tools inherent in the modern approach to the organization of sustainable (responsible) supply chain management, in the management practice of Ukrainian enterprises is a necessary, but long-term and thorough process. Firstly,

it is required to implement a number of institutional changes that can create motives and intensify the promotion of domestic companies to the formation of sustainable supply chains in markets where Ukrainian enterprises traditionally occupy certain positions and new ones that they seek to advance. These changes should result in at least the following:

- adoption of real industrial policy measures that create incentives for enterprises to adopt a strategy and operational programmes or plans to ensure the sustainability of their supply chains. For example, it would be useful to establish as one of the key precondition of tenders for applicants for public procurement a requirement to have such strategies and programs and to provide open information on their implementation;

- to elaborate and publish on the Internet an info-kit with description of modern methodology and practical tools applied in sustainable supply chain management, as well as case studies with the best practice;

- to arrange appropriate trainings for specialists of enterprises dealing with issues of supply chain sustainability and corporate social responsibility (in cooperation with the National Chamber of Commerce and its regional branches);

- to introduce in the universities curricula the course "Sustainability and supply chains management";

- to deploy in mass media the propaganda of the principles of The Global Compact, with the clarification of the importance of joining domestic enterprises to this agreement and implementing a socially and environmentally responsible business strategy.

Finally, it is crucial (not only for sustainability of supply chains) that the reforms aimed at combating corruption, which announced by the government, give real and exhaustive results. Otherwise, effective sustainable supply chain management for Ukrainian enterprises will remain only exotic.

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- Кітріш К. Ю. Роль стійкості ланцюгів постачання в зміцненні конкурентоспроможності бізнесу**
- Менеджери підприємств, а також їх інвестори та інші зацікавлені сторони все більше стурбовані потенційними ризиками, що пов'язані з діяльністю компанії в межах її ланцюгів постачань. У сучасній мережевій економіці, процес укладання контрактів, а також заходи щодо забезпечення стійкості відносно з постачальниками формують необхідний сильний зв'язок, який забезпечує цілісність всіх ланок в ланцюжку створення вартості. Зусилля, спрямовані на введення сучасної системи управління ланцюгами постачань в діловій практиці мають важливе значення, особливо для промислових підприємств країн з ринковою економікою, що розвивається, через слабкі інституційні основи для ведення бізнесу. Для багатьох українських підприємств гострота цього питання значно зростає в сучасних умовах, коли вони вимушені переорієнтуватися на нові ринки сировини і збуту своєї продукції. Дана стаття є спробою узагальнити сучасні підходи до управління ланцюгами постачань, які забезпечують стійкість бізнесу і тим самим зміцнюють конкурентоспроможність підприємства, а також визначити способи, як сприяти реалізації цих підходів в управлінській практиці українських підприємств.
- Ключові слова:* ланцюги постачань, управління, стійкість, Глобальний договір ООН, соціальна та екологічна відповідальність, конкурентоспроможність.
- Кітріш Е. Ю. Роль устойчивости цепей поставок в укреплении конкурентоспособности бизнеса.**
- Менеджеры предприятий, а также их инвесторы и другие заинтересованные стороны все больше обеспокоены потенциальными рисками, связанными с деятельностью компании в пределах ее цепей поставок. В современной сетевой экономике, процесс заключения контрактов, а также меры по обеспечению устойчивости отношений с поставщиками формируют необходимую сильную связь, которая обеспечивает целостность всех звеньев в цепочке создания стоимости. Усилия, направленные на введение современной системы управления цепочками поставок, в деловой практике имеют важное значение, особенно для промышленных пред-

приятый стран с развивающейся рыночной экономикой из-за слабых институциональных основ для ведения бизнеса. Для многих украинских предприятий, острота этого вопроса значительно возрастает в современных условиях, когда они вынуждены переориентироваться на новые рынки сырья и сбыта продукции. Данная статья является попыткой обобщить современные подходы к управлению цепями поставок, которые обеспечивают устойчивость бизнеса и тем самым укрепляют конкурентоспособность предприятия, а также определить способы, как способствовать реализации этих подходов в управленческой практике украинских предприятий.

Ключевые слова: цепи поставок, управление, устойчивость, Глобальный договор ООН, социальная и экологическая ответственность, конкурентоспособность.

Kitrish E. The role of supply chain sustainability in strengthening the business competitiveness

Management of enterprises as well as their investors and other stakeholders are increasingly concerned about the potential risks posed to a company by the activities within its supply chain. In a modern networked

economy, the contracting process, and measures to ensure the sustainability of relations with suppliers form the necessary strong coupling, which ensures the integrity of all links in the value chain. The efforts aimed on introducing modern system of supply chains management in business practice are important especially for industrial enterprises of countries with developing market economics due to weak institutional framework for doing business. For many Ukrainian enterprises, acuteness of this issue is increasing significantly in the current conditions when they are pushed to reorient at new markets of raw materials and sales of their products. Attempt to generalize modern approaches to management of supply chains, which ensure the sustainability of a business and thus strengthen its competitiveness, and to identify ways how to facilitate the implementation of these approaches in the management practices of Ukrainian enterprises is made in the paper.

Keywords: supply chain, management, sustainability, UN Global Compact, social and environmental responsibility, competitiveness.

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