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LOGISTICS PROBLEMS: DIAGNOSING AND SOLVING THE SUPPLY CHAIN'S TOUGHEST CHALLENGES

B. Starusov, student,

T. Gerasymchuk, Ph.D, Associate professor,

Kharkiv National Automobile and Highway University

Logistics is the art of getting the right product to the right place at the right time in the right condition for the right cost. This deceptively simple mission conceals a universe of complexity, and when logistics fails, the consequences ripple outward through businesses, households, and economies. Delayed deliveries disappoint customers. Stockouts lose sales. Damaged goods destroy margins. Congested ports choke trade. Driver shortages paralyze fleets. These are not hypothetical scenarios; they are the daily reality of logistics professionals navigating a world of relentless uncertainty.

Understanding logistics problems—their causes, their interdependencies, and their solutions—is essential not only for supply chain practitioners but for any business leader whose enterprise depends on the physical movement of goods. This article diagnoses the most persistent and costly logistics problems facing organizations today and examines the strategies that leading firms deploy to solve them.

The Rising Cost of Logistics

The Problem Logistics costs have been on an upward trajectory for decades, driven by fuel price volatility, labor inflation, regulatory compliance, and infrastructure constraints. In the United States, business logistics costs reached $2.3 trillion in 2022, representing 9.1% of GDP, a figure that has risen steadily from historic lows near 7.5% (Council of Supply Chain Management Professionals, 2023). Transportation costs alone account for nearly two-thirds of this total.

Rising costs compress margins across the supply chain. Shippers face pressure to

absorb cost increases or pass them to consumers, carriers balance fuel and labor expenses against freight rates, and third-party logistics providers operate on notoriously thin margins. For small and medium-sized enterprises without the volume leverage of multinational corporations, logistics cost escalation can threaten viability.

The Response Leading organizations attack logistics costs through multiple levers. Network optimization studies reassess the number, location, and mission of distribution facilities to minimize total landed costs. Freight consolidation pools shipments to achieve fuller truckloads and lower per-unit transportation costs. Mode shifting moves freight from premium modes like air to lower-cost modes like ocean or rail where lead times permit. Strategic procurement and carrier relationship management leverage competition while building reliable partnerships that reduce hidden costs of poor service.

Technology plays an increasing role. Transportation management systems with optimization engines can reduce freight spend by 5% to 15% through better carrier selection, route optimization, and load consolidation. Research on logistics cost management emphasizes that sustainable cost reduction requires system-level thinking; reducing costs in one area often increases costs in another, and only an end-to-end perspective reveals the true optimum (Christopher, 2016).

Capacity Constraints and the Driver Shortage

The Problem The global trucking industry faces a chronic and worsening driver shortage. The American Trucking Associations estimates the U.S. driver deficit at over 60,000 and projects it could exceed 160,000 by 2030 if current trends persist (Costello and Karickhoff, 2023). Similar shortages afflict Europe, Asia, and other major freight markets. The causes are structural: an aging workforce, difficulty attracting younger workers and women, challenging working conditions including long periods away from home, and rising barriers to entry through licensing costs and regulatory requirements.

Beyond drivers, capacity constraints extend to warehousing space, port throughput, and intermodal infrastructure. E-commerce growth has driven insatiable demand for warehouse labor and urban delivery capacity, while infrastructure investment in many countries has lagged behind trade volume growth.

The Response Addressing the capacity crisis requires action on multiple fronts. Industry efforts to improve driver pay, benefits, and working conditions are essential but insufficient. Broader workforce development strategies include partnerships with vocational training programs, military-to-civilian transition initiatives, and campaigns to diversify the driver demographic.

Technology can mitigate but not eliminate the problem. Autonomous trucking, while still years from widespread deployment, offers a long-term capacity solution for highway segments. Platooning technologies improve fuel efficiency and driver utilization. Digital freight matching platforms increase asset utilization by reducing empty miles—the bane of trucking profitability.

In warehousing, automation and robotics supplement rather than replace human labor. A study by Gutelius and Theodore (2019) on warehouse automation found that technology deployment tends to increase productivity and shift job requirements toward technical skills rather than eliminate positions outright, though the transition creates challenges for the existing workforce.

Inventory Management and Demand Volatility

The Problem Inventory is simultaneously the buffer against uncertainty and the most expensive asset on many balance sheets. The bullwhip effect—where small demand fluctuations at the consumer level amplify into large swings upstream—has been documented since the 1960s yet remains stubbornly persistent (Lee, Padmanabhan and Whang, 1997). The COVID-19 pandemic produced the most extreme bullwhip in modern history, as panic buying, supply disruptions, and the subsequent inventory overcorrection have ricocheted through supply chains for years.

Demand volatility makes inventory management extraordinarily difficult. Overstock consumes working capital and risks obsolescence. Understock loses sales and customer goodwill. The difficulty is compounded by long and variable lead times, supply disruptions, and product proliferation that fragments demand across more SKUs.

The Response Demand-driven supply chains replace forecast-driven push with demand-pull replenishment. Point-of-sale data, shared transparently between retailers and suppliers, enables more accurate demand sensing and reduces reliance on

speculative safety stock. Postponement strategies delay product differentiation until demand is known, reducing finished goods inventory risk.

Advanced analytics and artificial intelligence improve forecast accuracy by incorporating diverse demand signals—weather, promotions, social media sentiment, economic indicators—that traditional time-series methods cannot process. Research by Chase (2013) on demand-driven supply chains demonstrates that firms adopting these principles achieve simultaneous improvements in service levels and inventory turns, breaking the traditional trade-off between the two.

Last-Mile Delivery Complexity

The Problem The final mile is the most expensive, congested, and customer-visible segment of logistics. Urbanization concentrates demand in dense areas with traffic congestion, parking scarcity, and access restrictions. Failed deliveries—when the recipient is not available to receive the package—generate costly redelivery attempts and erode customer satisfaction. Meanwhile, customer expectations for delivery speed have compressed from days to hours.

E-commerce growth has dramatically increased the volume of small, single-item shipments to residential addresses, the least efficient delivery profile. Research on last-mile logistics identifies the tension between delivery density (which drives efficiency) and delivery speed (which drives customer satisfaction) as the central challenge of urban logistics (Joerss et al., 2016).

The Response Last-mile innovation is one of the most dynamic areas in logistics. Micro-fulfillment centers positioned in urban areas shorten the distance to customers. Locker networks and pickup points consolidate deliveries and eliminate failed delivery risk. Dynamic routing algorithms optimize delivery sequences in real time, adapting to traffic, weather, and customer availability.

Crowd-sourced delivery platforms leverage independent contractors using personal vehicles, expanding capacity flexibly but raising questions about worker classification and service consistency. Autonomous delivery robots and drones are transitioning from pilot programs to limited commercial deployment, promising cost reduction for lightweight, short-distance deliveries in controlled environments.

Supply Chain Disruptions and Risk The Problem Supply chain disruptions have intensified in frequency and severity. Natural disasters, geopolitical conflicts, cyberattacks, supplier bankruptcies, and public health emergencies have exposed the fragility of extended, efficiency-optimized supply chains. The World Economic Forum's Global Risks Report consistently ranks supply chain disruption among the top risks facing global business (World Economic Forum, 2023).

The lean supply chain philosophy, which delivered decades of cost savings and inventory reduction, revealed its vulnerability when just-in-time became just-too-late. Firms that had single-sourced critical components from distant suppliers found themselves unable to produce when those suppliers went offline. Research on supply chain resilience highlights that efficiency and resilience exist in tension; optimizing purely for cost removes the buffers that enable adaptation to disruption (Pettit, Fiksel and Croxton, 2010).

The Response Supply chain resilience has become a board-level priority. Diversification of supply sources, while carrying higher procurement costs, reduces single-point-of-failure risk. Regionalization and near-shoring shorten supply lines and reduce exposure to long-distance logistics disruptions. Safety stock buffers, strategically positioned for critical and volatile items, provide insurance against demand spikes and supply interruptions.

Visibility is a prerequisite for resilience. Supply chain mapping beyond tier-one suppliers reveals hidden dependencies and concentrations of risk. Control tower platforms integrate data from internal systems, suppliers, logistics providers, and external risk intelligence feeds to enable proactive disruption detection and response. Scenario planning and stress testing prepare organizations for a range of possible futures rather than a single forecast.

Technology Integration and Data Silos

The Problem Logistics generates enormous volumes of data, but much of it remains locked in functional silos. Warehouse management systems do not communicate seamlessly with transportation management systems. Supplier systems do not integrate with customer systems. Legacy technology platforms, implemented

over decades of incremental investment, create complex and brittle architectures that resist integration and slow innovation.

The result is fragmented visibility, delayed decision-making, and manual workarounds that consume time and introduce errors. Research on logistics information systems identifies data integration as the primary barrier to supply chain visibility, without which advanced analytics and automation cannot deliver their promised benefits (Barratt and Oke, 2007).

The Response Application programming interface-led integration is replacing batch-oriented electronic data interchange as the standard for supply chain connectivity, enabling real-time data exchange between partners. Cloud-based platforms reduce integration complexity and democratize access to advanced capabilities that were previously affordable only for the largest enterprises.

Digital twins—virtual replicas of physical supply chain networks—enable simulation and optimization in a risk-free environment. Control towers provide unified visibility across previously siloed functions. Blockchain technology, while still maturing, offers the prospect of shared, immutable records of custody and transaction that could transform supply chain traceability and trust.

Sustainability Pressures

The Problem Logistics is a significant contributor to greenhouse gas emissions, accounting for approximately 8% of global CO2 emissions, with road freight representing the largest share (International Transport Forum, 2023). Urban logistics generates not only carbon emissions but local air pollution, noise, and congestion. Packaging waste, particularly from e-commerce, has reached crisis proportions in many regions.

Regulatory pressures are intensifying. Emission standards for heavy trucks, low-emission zones in cities, carbon pricing mechanisms, and mandatory sustainability reporting are reshaping the operating environment for logistics. Consumer and investor expectations increasingly demand demonstrable sustainability performance.

The Response Fleet electrification is the most visible sustainability strategy, with major logistics operators committing to zero-emission delivery fleets over the next two

decades. Alternative fuels—hydrogen, biofuels, and renewable natural gas—provide lower-carbon options for segments where electrification is technically challenging, such as long-haul trucking.

Efficiency improvements remain the most cost-effective emissions reduction strategy. Load consolidation, route optimization, modal shift from road to rail, and reduced empty miles all reduce both carbon and cost—a rare alignment of environmental and economic incentives. Circular logistics models, including reusable packaging systems and reverse logistics for product recovery and recycling, address both waste and resource efficiency.

Conclusion: Problems as Opportunities Logistics problems are not anomalies to be endured but opportunities to be seized. Every disruption reveals a vulnerability that can be addressed. Every cost increase motivates an efficiency breakthrough. Every capacity constraint spurs innovation. The most successful logistics organizations do not merely react to problems; they anticipate them, build resilience against them, and where possible, turn them into competitive advantage.

The common thread across all logistics problem-solving is integration—connecting functions, partners, data, and technologies into a cohesive system that is greater than the sum of its parts. The supply chains that will thrive in an era of accelerating disruption are those that combine operational excellence with strategic foresight, human judgment with machine intelligence, and competitive drive with collaborative partnership. Logistics problems are never fully solved, but they can be managed—and in the management lies the difference between supply chain leaders and supply chain laggards.

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LOGISTICS AS A KEY FACTOR IN MILITARY CONFLICTS: THE ARTERY OF WAR

V. Dmitrienko, student,

T. Gerasymchuk, Ph.D, Associate professor,

Kharkiv National Automobile and Highway University

"Amateurs talk strategy. Professionals talk logistics." This maxim, attributed to General Omar Bradley and echoed in military academies worldwide, encapsulates a truth as old as warfare itself: armies march on their stomachs, and campaigns are won or lost not solely on the battlefield but along the supply lines that feed, arm, fuel, and sustain the fighting force. Military logistics—the science of planning, preparing, and executing the movement and sustainment of armed forces—is the great enabler without which strategy is merely aspiration and tactics are fleeting.

History offers a stark record of logistics as the decisive variable in conflict. Napoleon's Grande Armée, the most formidable military force of its era, was destroyed not primarily by Russian steel but by Russian winter and the catastrophic failure of its supply chain. The Allied victory in World War II was built as much on the prodigious industrial and logistical output of the American "Arsenal of Democracy" as on battlefield heroism. More recently, modern conflicts have reaffirmed that precision