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CONTEMPORARY PRINCIPLES OF FORMING FLEXIBLE RETAIL NETWORK MODELS WITH VARIABILITY FUNCTION: PERSPECTIVES ON EFFICIENCY AND MANAGEMENT FORMAT

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СУЧАСНІ ЗАСАДИ ФОРМУВАННЯ МОДЕЛЕЙ ГНУЧКИХ ТОРГОВЕЛЬНИХ МЕРЕЖ З ФУНКЦІЄЮ ЗМІННОСТІ: ПОГЛЯДИ НА ЕФЕКТИВНІСТЬ ТА ФОРМАТ УПРАВЛІННЯ

The article is aimed at defining the contemporary principles of forming flexible retail network models with an emphasis on variability. Specifically, it focuses on establishing a solid understanding of efficiency and management format. Within the scope of the outlined research, attention is drawn to the fact that the management format of flexible retail network models with a variability function is determined by the content of organizational and technological aspects aimed at ensuring flexibility and adaptability in management under conditions of uncertainty and inevitable changes, where efficiency is a mandatory requirement. The content of the formulated provisions establishes that technological management tools assist retail networks in enhancing their efficiency through continual adjustment of performance indicators and costs associated with their daily operations. Flexible management strategies assist retail networks in improving efficiency by ensuring a consistent surplus of revenue over costs. Dynamic assortment management helps retail networks improve efficiency by adjusting the net proceeds from the sale of goods and services for each network object. Dynamic supply chain management helps retail networks improve the efficiency of their business operations by ensuring an adequate quantity of goods and their proper quality. Organizational flexibility in the structures and culture of the retail network helps enhance their efficiency by adjusting the profitability of the entire trading ecosystem when unforeseen changes occur in the aggregate of all factors surrounding such an entity and influencing its activities, strategies, and outcomes. The content of the provided statements allows us to conclude that perspectives on the efficiency of flexible retail network models with a variability function should be based on specific indicators of network productivity and operational costs, as well as the net proceeds generated by the sale of goods and services produced by the network's entities. The perspective on the management format of retail networks determines their systemic responsiveness to new trends in trade and adaptive economic activities. The outlined provisions allow for identifying the prospects for further research in this direction, suggesting the construction of methodological foundations for evaluating the effectiveness of forming flexible retail network models with a variability function.

Стаття спрямована на визначення сучасних засад формування моделей гнучких торговельних мереж з функцією змінності. Зокрема, основним напрямком є формування усталених поглядів на ефективність та формат управління. У межах дослідження звертається увага на той факт, що формат управління моделями гнучких торговельних мереж з функцією змінності визначається змістом організаційних та технологічних аспектів, спрямованих на забезпечення гнучкості та адаптивності управління в умовах невизначеності та змін, щодо яких обов'язковою є вимога, щодо ефективності. Доведено, що технологічні інструменти управління допомагають торговельним мережам підвищити їх ефективність через постійне коригування показників продуктивності та витрат, що пов'язані з їх щоденною діяльністю. Гнучкі стратегії управління допомагають торговельним мережам підвищити ефективність через забезпечення сталості у перевищенні доходів над витратами. Динамічне управління асортиментом допомагає торговельним мережам підвищити ефективність через коригування чистого виторгу від реалізації товарів та послуг за кожним мережевим об'єктом. Динамічне управління ланцюгом постачання допомагає торговельним мережам підвищити ефективність їх господарських операцій через наявність достатньої кількості товарів та їх належну якість. Організаційна гнучкість структур та культури торговельної мережі допомагає їм підвищити ефективність діяльності через коригування прибутковості всієї торговельної екосистеми при настанні непередбачуваних змін у факторах, які оточують такого суб'єкта та впливають на його діяльність, його стратегії та результати. Зміст наведених положень дозволяє зробити висновок, що погляди на ефективність моделей гнучких торговельних мереж з функцією змінності мають ґрунтуватися на окремих показниках продуктивності та операційних витрат мережі, а також на оцінці продукowanego її об'єктами чистого виторгу від реалізації товарів та послуг. Погляд на формат управління торговельними мережами визначає їх системна реактивність до нових трендів в торгівлі та адаптивна господарська діяльність. Окреслені положення дозволяють визначити серед перспектив подальших розвідок у даному напрямі побудову методичних основ з оцінки ефективності формування моделей гнучких торговельних мереж.

Key words: business operations; entrepreneurship models; flexible trade; retail networks; assortment adjustment.

Ключові слова: господарські операції; моделі підприємництва; гнучка торгівля; торговельні мережі; коригування товарного асортименту.

TARGET SETTING

The general issue regarding the contemporary principles of forming flexible retail networks with a variability function is determined by the necessity to adapt the management systems of such entities to the rapidly changing conditions of the domestic market and the unpredictability of consumer preferences. In particular, the need for transformations in management systems is driven by the rapid development of technologies, wherein consumers demand increasingly personalized and innovative products and services. Consequently, the ability of retail network management systems to effectively respond to changes and adapt their functionality to these changes becomes more crucial. The outlined specificity gives rise to qualitatively new management models that enable retail networks to swiftly respond to changing market conditions. This is achieved through balanced inventory formation, rapid adjustment of product assortment (including the introduction of new products and services), as well as flexibility in responding to changes in the economic, social, and technological environment. In this regard, for any management format, the crucial factor becomes the efficiency of the outlined processes, which should be interpreted through the relationship between the achieved result and the resources utilized. This efficiency is expressed through specific indicators and metrics.

ANALYSIS OF RESEARCH AND PUBLICATIONS

Among the studies that have initiated the resolution of various management issues in retail enterprises and their networks, notable contributions include works by Maslyhan O.O., Hobyk V., Buhrimenko R.M., Vyshnevskaya O.A., and Voloshyna A.O. The authors rely on these works in the process of forming perspectives on efficiency and management format, which are currently unresolved aspects of the overall issue of defining contemporary principles for forming flexible retail network models with a variability function, the focus of the mentioned article.

THE WORDING OF THE PURPOSES OF ARTICLE (PROBLEM)

According to the above, the purpose of the article is to define the modern principles of forming flexible trade network models with a variability function. In particular, the focus should be on establishing established views on efficiency and management format.

THE PAPER MAIN BODY WITH FULL REASONING OF ACADEMIC RESULTS

Within the outlined research, attention is drawn to the fact that the management format of flexible trade network models with a varia-

bility function (examples of which currently include Fozzy Group, Comfy, Eva, and Varus) is determined by a series of organizational and technological aspects aimed at ensuring flexibility and adaptability in management under conditions of uncertainty and change. Effectiveness is a mandatory requirement in this regard. Accordingly, the main aspects of the management format for flexible trade networks include: technological management tools (or sets of technical tools and software solutions used to support and optimize business processes, decision-making in management); flexible management strategies (or the concept of decision-making and implementation of management strategies that take into account the dynamics and uncertainty in the modern business environment of trade networks); dynamic assortment management (or an approach to operational management of product assortment, involving continuous analysis and optimization of the composition of goods and services in response to changes in market conditions and consumer demand); dynamic supply chain management (or an approach to operational management of supply processes in accordance with changes in the external environment and internal network needs); continuous organizational flexibility of structures and network culture (or an approach to operational management aimed at creating structures and network cultures that easily adapt to changes in the environment and ensure an effective response to new challenges). In summary, it should be noted that the management format of flexible trade networks is a comprehensive approach that, within flexible and adaptive systems, combines technological innovations, flexible strategies, and organizational changes. In this way, they contribute to achieving the characteristics and metrics of effective management in the conditions of a changing market. So, the perspective on the management format of flexible trade network models with a variability function can be expressed through its characteristic aspects, the content of which we have outlined in Table 1.

The formation of the above-mentioned perspective on the management format of flexible trade network models with a variability function has significant specificity, which manifests itself in each of its aspects.

So, regarding technological management tools, their focus should be on facilitating auto-

Table 1. The perspective on the management format of flexible trade network models with a variability function

Aspect of the management format	Aspects of managing flexible trade network models	The main condition for application
Technological tools ¹	Utilizing modern information technologies such as artificial intelligence, data analytics, cloud technologies, and the Internet of Things. Developing and implementing specialized software solutions for supply chain management, product assortment, and customer service.	Facilitating the achievement of indicators and criteria for effective management in the conditions of a dynamic market
Flexible management strategies ²	Developing strategies that involve rapid responses to changes in market conditions and consumer demand. Applying flexible management principles that allow adaptation to change through process optimization and swift decision-making.	
Dynamic assortment management ³	The ability to quickly modify the product and service assortment according to changes in the market situation and consumer demand. Utilizing analytics to identify demand and trends, enabling effective assortment formation.	
Dynamic supply chain management ⁴	Optimizing the supply chain to ensure effective inventory management and reduce order response time. Applying tracking and monitoring technologies to enhance transparency and efficiency in the supply chain.	
Continuous organizational flexibility of structures and network culture ⁵	Establishing an organizational structure that fosters internal collaboration and communication between departments. Developing leadership qualities in management to make non-standard decisions and stimulate creativity among the staff.	

Note:

1. Technological tools help retail networks (regardless of the type of applied business model) increase efficiency by creating opportunities to adjust productivity and cost indicators.

2. Flexible management strategies help retail networks increase efficiency by quickly responding to new trends in trade and competitive pressure.

3. Dynamic assortment management helps retail networks increase efficiency by directly impacting the net revenue from the sale of goods and services.

4. Dynamic supply chain management helps retail networks increase efficiency by ensuring coordination and optimization of its key elements.

5. Ensuring organizational flexibility of structures and network culture helps retail networks increase efficiency by adjusting profitability in the face of unpredictable changes in the business environment.

Source: formed based on [1; 4–5].

mation and streamlining the execution of a range of tasks related to operational management and strategic decision-making. Among the technological management tools that can be used in this context, we have included (Figure 1): ERP systems (or integrated software platforms that combine various network management functions into a unified system to ensure efficient resource management [5]), CRM systems (or Customer Relationship Management systems, which help track and analyze interactions with customers, establish effective sales and customer support processes [4–5]), BI-systems or systems for collecting, analyzing, and visualizing data that help make effective management decisions), marketing and sales automation tools (or electronic platforms for automating marketing campaigns, maintaining customer databases, order processing), Internet of Things (or the use of connected devices

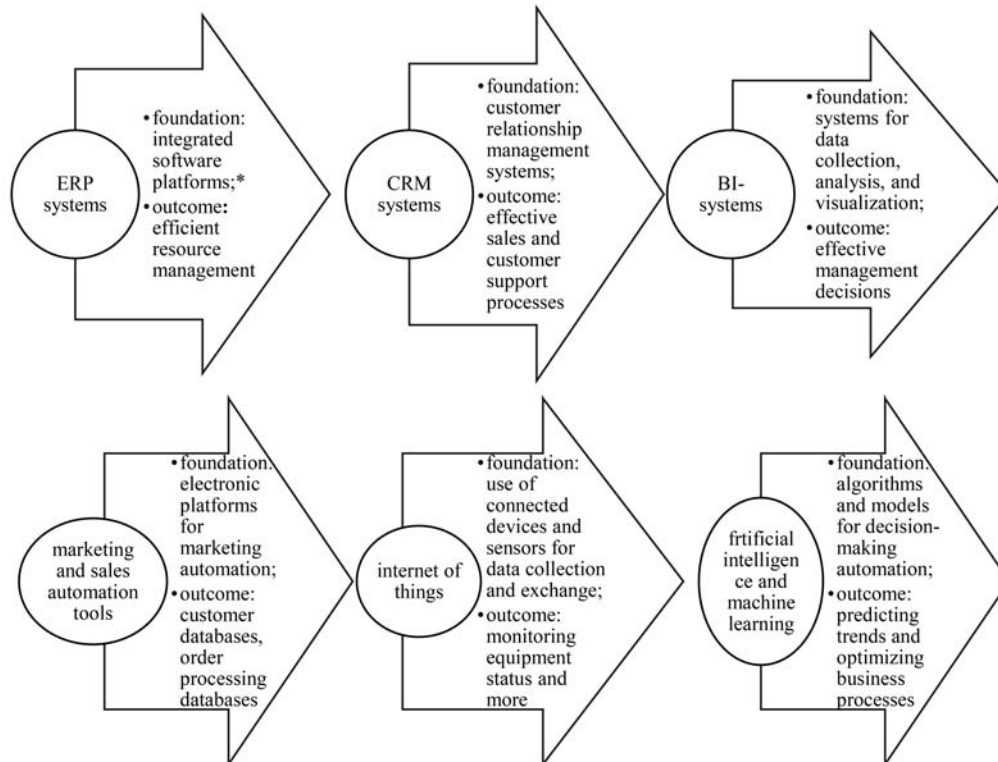


Figure 1. Key technological management tools for flexible trade network models with a variability function

Note: / * integrate various network management functions.
Source: formed based on [4–5].

and sensors for collecting and exchanging data, improving the supply chain, monitoring equipment status, and more [4]), artificial intelligence and machine learning (or the application of algorithms and models to automate decision-making, predict trends, and

optimize business processes [4]). According to the above, it is evident that technological management tools help retail networks enhance their efficiency. This is achieved through continuous adjustment of productivity indicators and operational costs (including labor compen-

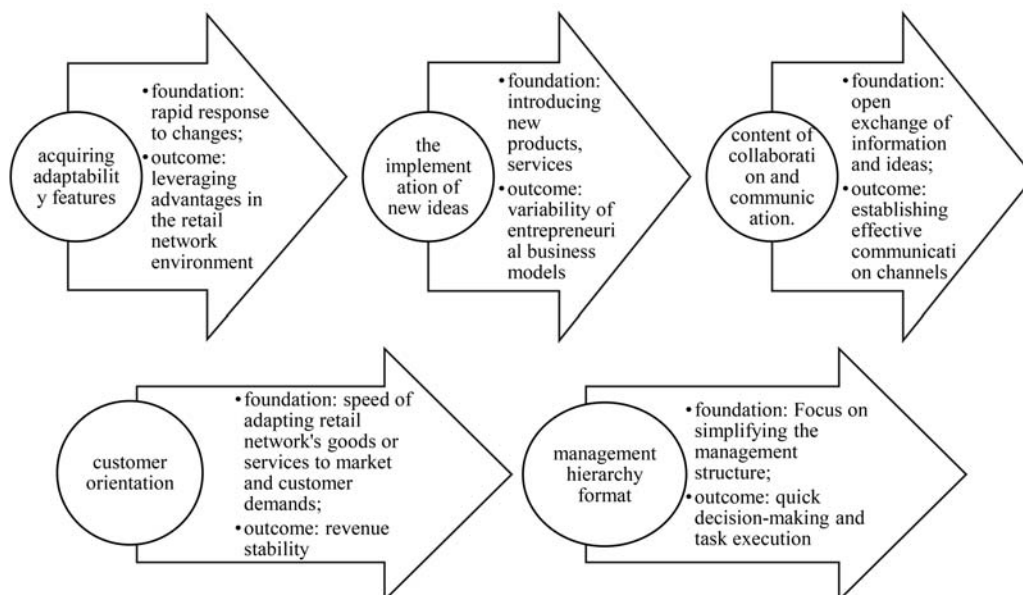


Figure 2. Flexible management strategy format for flexible retail network models with variability function

Source: formed based on [4–5].

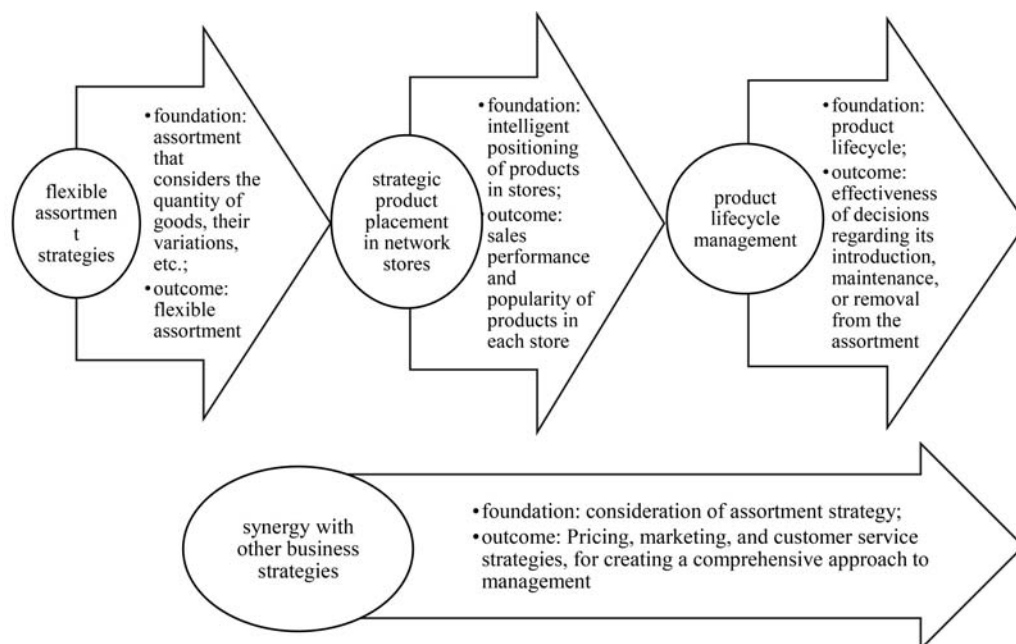


Figure 3. Format of dynamic assortment management within flexible retail network models with a variability function

Source: formed based on [2—3].

sation, rental and maintenance expenses, communication costs such as telephone, internet, postal services, and other means of communication, inventory, and equipment costs, as well as energy and utilities expenses [4—5]).

Regarding flexible management strategies, their focus should be on developing the ability to adapt effectively to changes in market conditions, the competitive environment, and consumer demand. The format of such management strategies is determined by aspects such as (Figure 2): acquiring adaptability features (focused on quickly responding to changes in the internal and external environment of trade networks [5]); the implementation of new ideas (introducing new products, services, and variability in entrepreneurial business models [5]); content of collaboration and communication (oriented towards open exchange of information and ideas, as well as fostering the formation of effective communication channels [5]); customer orientation refers to the focus on the rapid adaptation of a retail network's goods or services to market and customer demands; the management hierarchy format prioritizes simplicity in the organizational structure, emphasizing a focus on facilitating quicker decision-making and task execution.

Thus, flexible management strategies, in their essence, help retail networks enhance efficiency by ensuring a consistent surplus of revenue over costs.

Regarding dynamic assortment management, it should be organized to the extent that it fully considers market dynamics, consumption trends, and the retail networks' aspirations to maximize assortment profitability. The format of such management is determined by aspects such as (Figure 3): flexible assortment strategies (which consider not only the quantity of goods but also their variations, etc. [4]), strategic product placement in network stores (involving the intelligent positioning of products in stores based on demand in specific regions, sales performance, and the popularity of products in each store [4]), product lifecycle management (considering the stages of a product's lifecycle when making decisions about its introduction, maintenance, or removal from the assortment [4]), synergy with other business strategies (taking into account assortment strategy in the context of pricing, marketing, and customer service strategies, to create a comprehensive approach to management [5]).

Dynamic assortment management helps retail networks enhance efficiency by adjusting the net proceeds from the sale of goods and services for each network object.

Regarding dynamic supply chain management, it, through planning, creation, and control processes, should ensure the development of a flexible, reactive, and optimized supply chain to maximize efficiency and meet customer needs. The format of such management is determined by

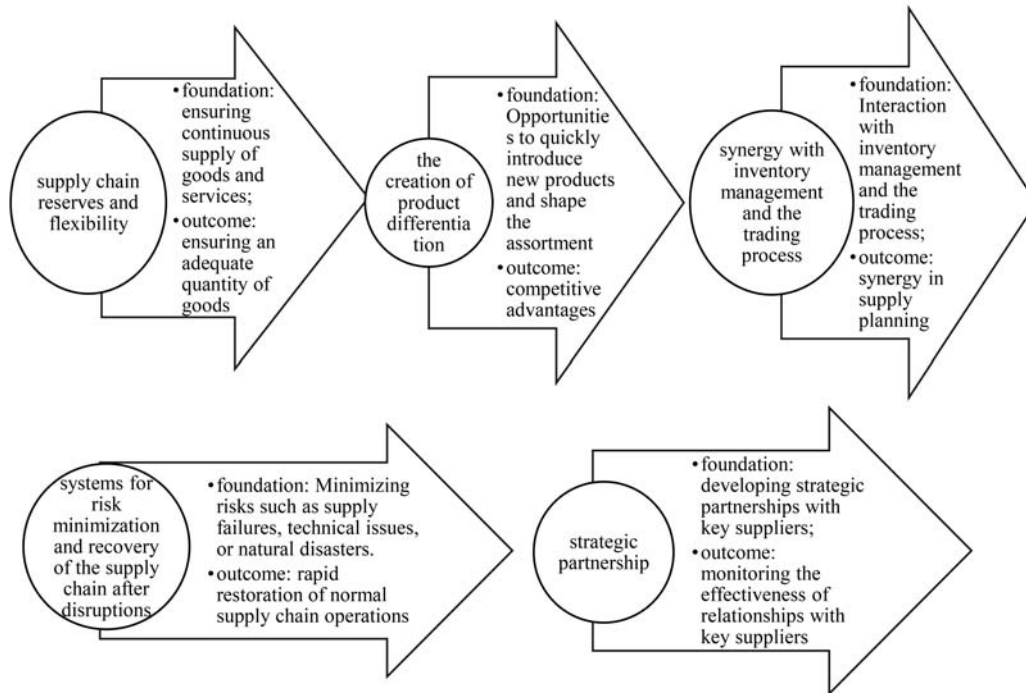


Figure 4. The format of dynamic supply chain management within flexible retail network models with a variability function

Source: formed based on [2—3; 5].

aspects such as (Figure 4): supply chain reserves and flexibility (which create opportunities for ensuring continuous supply of goods and services even in the case of changes in demand or supply conditions [2]); the creation of product differentiation (which provides opportunities to quickly introduce new products and form an assortment that creates competitive advantages [2—3]); synergy with inventory management and the trading process (which provides opportunities for interacting with inventory management and the trading process to achieve synergy in supply planning [3]); systems for risk minimization and recovery of the supply chain after disruptions (which create opportunities for minimizing risks, such as supply failures, technical issues, or natural disasters, and for quickly restoring normal supply chain operations [3]); strategic partnership (which creates opportunities to foster the development of strategic partnerships with key suppliers and ongoing monitoring of their effectiveness [2—3]).

Dynamic supply chain management helps retail networks enhance the efficiency of their business operations by ensuring an adequate quantity of goods and their proper quality.

Regarding the relatively constant organizational flexibility of structures and network culture, it involves the readiness of the retail network to quickly transform, respond to changes in both internal and external environments, and

ensure informed decision-making. The format of such flexibility is determined by organizational and technological aspects such as: flexible and minimalist hierarchies (which shape structures allowing for quick decision-making, reduced bureaucracy, and increased task efficiency [2—3]), restrained job specialization (where individuals and teams can easily adapt to different functional roles and perform diverse tasks [2—3; 5]), flexible work schedules and environments (creating conditions for adapting to individual employee needs and utilizing work formats that support productivity [5]), and the development of leadership qualities (fostering the development of leadership qualities at all levels of the organization to promote initiatives and self-organization [2]). The organizational flexibility of structures and culture within a retail network helps enhance its efficiency by adjusting the profitability of the entire retail ecosystem when unforeseen changes occur in the combination of all factors surrounding the entity, influencing its activities, strategies, and outcomes.

According to the provided statements, perspectives on the effectiveness of forming flexible retail network models with variability should be grounded in indicators of network productivity and costs, as well as the net proceeds generated by its ecosystem from the sale of goods and services. The perspective on the management format of

retail networks defines their systemic reactivity to new trends in trade and adaptive economic activities. This is achieved through the coordination and optimization of key elements in the supply chain and product offerings, especially when unforeseen changes occur in the business environment.

CONCLUSIONS FROM THIS STUDY AND PROSPECTS FOR FURTHER EXPLORATION IN THIS AREA

Within the defined study, attention is drawn to the fact that the management format of flexible retail network models with variability is determined by the content of organizational and technological aspects aimed at providing flexibility and adaptability in management under conditions of uncertainty and changes, where the requirement for efficiency is essential. By the content of the formulated provisions, it has been demonstrated:

1. Technological management tools help retail networks enhance their efficiency through continuous adjustment of productivity and cost indicators associated with their daily activities.

2. Flexible management strategies help retail networks enhance efficiency by ensuring a consistent surplus of revenue over costs.

3. Dynamic assortment management helps retail networks enhance efficiency by adjusting the net proceeds from the sale of goods and services for each network object.

4. Dynamic supply chain management helps retail networks enhance the efficiency of their business operations by ensuring an adequate quantity of goods and their proper quality.

5. The organizational flexibility of structures and culture within a retail network helps enhance its efficiency by adjusting the profitability of the entire retail ecosystem when unforeseen changes occur in the combination of all factors surrounding the entity, influencing its activities, strategies, and outcomes.

The content of the provided statements allows us to conclude that perspectives on the effectiveness of flexible retail network models with variability should be based on specific indicators of network productivity, operational costs, and the net proceeds generated by its objects from the sale of goods and services. The perspective on the management format of retail networks determines their systemic reactivity to new trends in trade and adaptive economic activities. The outlined positions allow for the identification of the construction of methodological foundations for

assessing the effectiveness of forming flexible retail network models with variability as a prospective direction for further research in this field.

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