

## ENVIRONMENTALLY CONSCIOUS PARTNERSHIP OF ORGANIZATIONS

*J. M. Chychkan-Khlipovka, N.M. Pugach*  
*National Aviation University, Ukraine*

Nowadays, in market volatility, every company, regardless of size, is trying to preserve and increase their competitiveness. Achieving this objective compels companies to reconsider their priorities. A possible solution to this problem is the interaction with other companies in the supply chain.

Most companies, especially the large one, are choosing the benefits of horizontal integration. Horizontal integration is primarily the prerogative of large companies, since not all medium and small companies have a well-developed information system. Depending on the closeness of relationships, such integration may take the form of alliance, integration, cooperation, interaction, partnership and collaboration. This, in turn, leads to the initiation of integrated logistic chains and networks. These organizational formations practically can represent the whole life cycle of products and usually provide wide variety of additional services.

An integrated structure should become the conceptual basis of interaction and partnership between organizations, which would control the entire value chain – the algorithm of various activities to create value for consumers. Each organization operates under a universal system, which includes, except the company itself, also suppliers, customers, etc. Thus, the final consumer pays for the value created by all elements of the system. Much attention is paid to the analysis of the value chain to determine the real contribution of each element in the system. Here are taken into consideration such factors as: the organization's activities in the value chain, cost factor, with regards to all activities, formation of a viable competitive advantage.

Frequently, the processes, occurring in the final stages of product life cycle are overlooked – salvaging and recycling. Therefore, the logistical operations related to the collection and reuse of served a term products, gain importance, in terms of adverse environmental conditions.

The foregoing consideration of salvaging and recycling processes scoped only on the necessity and costs of these procedures. Brand-new ideas and solutions in economic and managerial fields apply products' end-of-life stages to create an additional value due to different models of organizations' interaction including partnership and integration of enterprises through supply chain.

Modern society requires from the owners to processed (recycle) their waste, and not just overthrown in landfills or destroyed it. Environmental legislation has been initiated to provide with environmentally conscious products' end-of-life processes, enacted by the parliaments of most developed countries. However, large-scale recycling is possible in conditions of appropriate infrastructure, or integrated scheme of processing and recycling.

All this becomes possible with the help of the functional areas of logistics – backward or reverse logistics. It is an effective modern solution of acute problems – recycling and waste management. Partnership and collaboration of organizations in this direction is a successful way to increase competitiveness in the market. Such competitive edges are based on service support of the consumers by providing additional services of reverse logistics.

Increasingly, the concept of "Environmental Security" and "Environmental Responsibility" become a priority for enterprise activity. The leadership of each company must understand and take into consideration the fact that as the higher the environmental effectiveness of the company, as the higher its investment attractiveness, its value in the market, and thus the value of the shares. The integration of enterprises in the field of environmental security is subject to the rules of European law, whereby manufacturers of technical systems (equipment and machines) are responsible for designing their salvaging and recycling that these processes were "environmentally friendly". Creating a "green ideology" of business organizations in the supply chain is possible in condition of:

- 1) the formation of "environmental consciousness" in the enterprise;
- 2) introduction of environmental management system;
- 3) correlation between environmental activity of the company and its market capitalization.

The cooperation of companies is widely used in practice in many industries to improve the environmental situation. Aviation industry also especially strongly addressed the issue. As an example, the formation of the "Single European Sky" – an agreement on unification of flight operation in the airspace of the countries – EU members. At this stage the modernization of the "Single European Sky", by the formation from the European air space of the 9 International Functional Airspace Blocks (FABs) and by implementing a program of modernization of the air navigation system (SESAR – Single European Sky ATM Research) is conducted.

These innovations increase the efficiency of the system by 70%, reduce the average time delay of 1 minute, reduce costs users up to 50% and reduce environmental harm caused by each flight by 10% by 2012 while improving safety.

Ecological response of each company must make its economic contribution to the global solution of the environment protection. Ecologically conscious production and consumption of goods and services can be achieved not only through the development appropriate legal system and adoption different programs for environmental protection and conservation of clean environment. The aim of nature protection also can succeed due to the formation of such supply chains which are able to provide the final stages of product life cycle.

Salvaging and recycling are the key issues for interaction of large industrial enterprises. Solution of outlined problems will enable the companies to take leading positions in their markets. And this can be done more efficiently by cooperation activities and partnership in environmentally conscious supply chains.