

SUPPLY CHAIN MANAGEMENT FOR TOURISM DEVELOPMENT

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Abstract

Tourism is a sector that is developing and growing faster and faster. In conditions of growing competition, logistics is one of the key success factors. Intensive development and competitive advantage of tourist destinations is achieved by applying the basic principles of logistics: simultaneous and comprehensive optimization of all links in the flows of materials, energy and information, which participate in shaping the supply of tourist locations and creating their tourist products. This paper describes the structure and main problems of supply chain management in tourism, their current state and factors that prevent the implementation and integration of supply chain activities within the tourism sector. The aim of this paper is to emphasize the role and importance of logistics and tourism operators in planning and optimizing logistics activities and increasing the competitiveness of tourism products.

Key Words: *supply chain, management, tourism, development*

JEL classification: *Z32, Z39*

Introduction

The impact of strategic management of incoming logistics on the performance of tourism has become the subject of numerous studies in the world and in our country. Michael Porter (1985) was among the first to point out that company management is a dynamic, complex and continuous process, which is primarily oriented towards efficient and effective directing of limited resources towards the achievement of defined goals. In

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this regard, the competitive success of a tourist destination today is largely determined by the quality and ability of its management to monitor and anticipate events in the environment, which may present opportunities and threats to the company, and yes, based on their coordination with internal forces and abilities, permanently notices critical factors of business success, on the basis of which the selection and implementation of rational strategies will be performed. As a unique and rarely valuable resource, management in this area is often the decisive factor that determines the line of demarcation between successful and unsuccessful companies.

Cole and Aitken (2019) believe that managers, in modern business conditions, are expected to have a wide range of creative and professional knowledge and skills, as well as to be leaders who will have the charisma to motivate and motivate all team members to meet long-term goals. This includes not only intensive monitoring of events in an unstable environment, in order to minimize its negative impacts and identify potential opportunities, but also to develop broad conceptual, operational and technical skills, which must be possessed by all company managers, depending on their management powers and positions which occupy the hierarchical ladder. Adequate competitive positioning of companies requires management to be oriented towards developing the core of special competencies, which should be accompanied by creating a climate of innovation and propensity for change within the organization, without which it is difficult to imagine more serious success in competition. In this regard, in the last few decades we have witnessed numerous and dramatic changes in the business environment, which lead to a radical transformation of traditional ways of competitive competition, and thus to a very dynamic development of theory and practice of modern management (Albright & Davis, 1999).

In this regard, today, companies, as a rule, realize their economic mission in an environment characterized by a high degree of complexity, turbulence and uncertainty. Previously, the protection of local markets, geographical distances, barriers to communication and weak competition have resulted in relatively small incentives for companies to continuously improve the performance of their products, processes and activities. In addition, the problem of rising costs could be solved at any time, by raising sales prices, without major problems at the expense of customers. However, the tendency of globalization and deregulation of the market, accompanied by the breaking down of national barriers, inevitably leads to a sharp intensification of international competition.

Logistics and supply chain management in tourism

Consumer requirements are becoming very changeable and sophisticated, which, in conjunction with the development of new production, communication and information technologies, has drastically shortened product life cycles. In such conditions, the imperative of careful, intelligent and proactive management of cost and other key product performance is imposed even during its conceptualization and design, so that they, at the time of effective production and market launch, are fully improved. Any hesitation or delay in this regard can "cost" companies by significantly devastating the profit potential, so the speed and flexibility of product introduction today are rightly singled out as critical factors of business success.

Cudahy (2017) found that the new challenges and problems necessitate a serious re-examination of the company's current business philosophies, accustomed to stable and predictable business conditions. As the prosperity of modern companies is largely determined by the ability of their top management to align internal potentials with the demands of an unstable environment, there is a strong need to adopt a broader external orientation, accompanied by a constant focus on changing consumer expectations. The very market existence of the enterprise. Management is also expected to deepen and strengthen business cooperation with other organizations in the region (primarily customers, suppliers and distributors), which with their experience and competence can play a very important role within industrial value chains. In practice, the practice has unequivocally shown that through better inter-organizational coordination and integration of vital business activities, with an open exchange of ideas and information, much more successful competitive positioning in the market can be achieved today.

Ansari et al. (1997) came to the conclusion that the external requirements of the customers are the driving motive of all competitive efforts of the company. Today, in the professional literature and business practice, there is a general consensus that costs, quality, time and innovation are key strategic variables, which directly affect the level of consumer satisfaction. Since customers, among other things being equal, will always prefer a cheaper product, companies that have cost efficiency have a great opportunity to achieve a strong competitive advantage in the market. Otherwise, their loyalty to the company can be seriously questioned, since they can always find an alternative solution in the offer of the main rivals in the market. Along with low prices, customers today expect to receive

products that will have the required dimensions of quality, functionality, availability and accompanying after-sales services. Although quality has long been considered a "luxury" and an additional item in the cost of production, lately there has been a reasonable view that it saves a lot of money. In other words, market pressures have forced companies to finally realize that it is much cheaper to offer a quality product or service than to waste valuable resources on creating effects that will require subsequent costs of inspection, finishing, warranty repairs, replacement or withdrawal. Therefore, in response to the demands for high quality, the concept of Total Quality Management (TQM) has been intensively developed in recent decades, which is primarily aimed at integrating the efforts of all functions and activities of the company in the field of continuous performance improvement (Bouranta et al., 2017).

In empirical research, Aćimović et al. (2020). came to the conclusion that the aspect of satisfaction of modern consumers is responsiveness and speed of response to their requests, so the main goals of companies in this field are to reduce the total time of product development and delivery "on time". Since product life cycles consist of the sum of different time periods necessary to perform individual business activities, by noticing and eliminating those activities that do not create value, it also eliminates the time unnecessarily spent on their performance. In this sense, it is considered that only processing time and the activities that make it up add value to products, so by eliminating other activities from business processes, significant savings in costs and time can be achieved. This is of special importance if we keep in mind the fact that in modern business conditions, even the slightest delay in presenting a new product can have extremely negative consequences on its profitability. Finally, innovation, as the last but not least factor of customer satisfaction and loyalty, refers to the company's ability to frequently introduce new generations of products with the required attributes to the market, while improving the performance of existing models. As such, innovation is essential for success in modern business conditions and requires companies to continuously design inventive solutions in order to adapt as quickly as possible to changing consumer requirements.

Mijušković and Todorović-Spasenić (2020), in response to a growing number of contemporary challenges, have established in recent decades that a number of new management approaches and philosophies are being developed, which, despite being based on very different ideas, unite a universal motive for mastering critical factors of business success.

delivering superior value to consumers in the marketplace. The mentioned approaches are very numerous, diverse and dynamic, so their more detailed explanation would greatly exceed the intentions and scope of this paper.

The value chain which, viewed from the perspective of tourist destinations, consists of three large entities. The first unit is the supply chain, which, starting with the producers of primary raw materials, is imbued with a network of suppliers classified into different categories, depending on the degree of closeness of relations with the company. The second part of the value chain consists of the observed tourist destination, with its internal processes and activities, while the third is the sales and distribution chain, which, like the supply chain, consists of a network of customers classified into different echelons and ending with end consumers or users market service. For example, the direct milk producer on a farm or farm would be the first link in the supply chain of the dairy industry, the last link of which is the consumers of the observed products. All organizations positioned between the primary producer and the final consumer, such as agricultural plants, distribution centers, wholesale discount stores, supermarkets, etc., represent participants in the observed supply chain.

However, if a broader perspective of observing the value chain were taken, then it could be understood as a series of sequential and interdependent relationships between suppliers and customers, as individual links in the chain. Each participant in the chain is at the same time a customer, but also a supplier of products and services that he passes on to the next link or participant. For example, a large manufacturer of car parts and components is at the same time a buyer of smaller parts from its suppliers, but also a supplier of a large car manufacturer, which, in turn, is not the end customer in the chain, but only the first in a series of echelons. Between the manufacturer and the end user of the car, it can find its place through wholesale and retail companies, whose number and organization depend on the structure of sales and distribution channels in a specific market.

Based on the previous course, the unequivocal conclusion is that the name value chain does not mean the essence of extremely complex relations between numerous and diverse organizations within a certain industry, so some authors suggest that it would be much more correct to use supply chain terms instead of the term chain demand network, because they much more faithfully signify the essence of the exposed concept. In this regard, due to this nature of the relationship within the chain, the term supply chain is much more often used in the literature compared to the term value chain,

so since they are synonyms, both terms will be used equally in this book.. Also, it should be said that, after getting acquainted with the concept of supply chain from a broader market perspective, for the purposes of this book is much more interesting perspective of a particular company, which, as a segment, is positioned within the overall value chain, with its own internal business processes and supply and distribution chains. Large production companies, which are located in the central parts of the supply chain and have a very extensive network of relations with other participants, are particularly interesting for research in this field (Sekereza, 2009).

Therefore, it is sufficient to mention only some of them here, such as value chain / supply chain analysis, establishing long-term relationships with customers and suppliers, continuous improvements, empowering employees and new production management systems, as they are of particular importance. for the further course of the exposition. Recently, as an area with great potential in terms of strengthening competitiveness and strategic positioning, the attention of the world scientific and professional public is increasingly attracted by the concept of value chain, which emerged as a result of companies' efforts to integrate their business activities and expand their influence beyond formal border, ie along the industrial chain which creates value for the final consumer. Such an open approach, accompanied by the establishment of strong cooperation with other participants in the chain, whose activities also influence the value creation process, provides undeniably greater opportunities to improve profit potential than the previously prevailing introverted approach, which consisted exclusively in internal process management and logistics. Therefore, before an attempt is made to define the concept of the value chain, it is necessary to first look at the concept of internal logistics of the company, which can serve as a starting point for its better understanding.

Tourism supply chain

The structuring and design of value chains have, from the point of view of tourist destinations, been viewed for many years as a static process, accompanied by the participation of a constant number of suppliers and the establishment of stable distribution channels. However, the uncertainty and speed of changes in modern business conditions inevitably lead to obsolescence and irrelevance of this approach, for the simple reason that in this way it is no longer possible to achieve and maintain a competitive advantage in the market in the long run.

Therefore, successful competitive positioning today requires a rapid response to strategic challenges from the environment followed by continuous dismantling, reconfiguration or reintegration of industrial value chains, as well as frequent "shuffling of cards" in organizational, technological, financial and human resources (Baker, 2004).

Thus, tourist destinations can no longer afford the luxury of excessive dependence on a narrow number of suppliers or distributors, but, on the contrary, must permanently find ways to optimize their value chains, bearing in mind the fact that some well-established pattern of the ideal chain it does not exist today, but it varies depending on the specific needs and circumstances prevailing in a competitive environment. In that sense, the dynamism and complexity of modern markets lead to the fact that in practice there are unlimited possibilities for configuring value chains, so it is not unusual that one tourist destination can be a participant in several completely different types of tourist services. For example, from the perspective of the market and the products offered in them, Wall-Mart is part of the value chains in the consumer goods, footwear and clothing, computer hardware and many other products, while AT&T Motorola is a customer in one, partner in the second, a supplier in the third and a competitor in the fourth supply chain. Thus, depending on the nature of its business, the relationship with partners and the degree of diversification of products and services, one company can be a participant in several different value chains. This increasingly present phenomenon of branching, networking and crossing of value chains through different industries and through different market segments results in the existence of numerous and diverse ways of modeling relationships within industrial chains.

However, in practice, in this regard, in general, two clearly differentiated strategic approaches or philosophies of their functioning can be distinguished. The first group is represented by supply chains focused on the procurement process or upstream activities towards suppliers, which are most often accompanied by the application of the previously exposed push approach of the organization of material flows. The second group consists of chains primarily focused on meeting demand (and thus downstream material flows to customers), followed by intensive application of the pull approach to market realization of products and services. Since products today undoubtedly need to be "pulled" by current market demands, rather than recklessly "pushed" to customers, it is not superfluous to reiterate here that achieving superior supply chain performance involves collecting data from direct point-of-sale retail

outlets. -sale) in real or at least approximately real time (daily), so that they are effectively transmitted to all participants in the chain and crucially manage their business activities.

In this sense, it is crucial for the survival and strengthening of competitiveness of supply chains that customer order flows, which pass through different departments and functions of the entire network of affiliated and interdependent companies, are managed as one integrated process of market demand, within which all participants have a clear an idea of what it is that users of products and services want and what are the ways to provide it to them. This approach should be accompanied by collaborative planning and organization of joint activities, where all involved companies and individuals, with a high degree of mutual trust, communicate intensively using the same signal of market demand.

Recently, there is a frequent opinion in the literature that the strategies of market-oriented (or pull) value chains in practice can be realized through lean or agile concepts of their organization. Although there are certain similarities between the mentioned concepts, which primarily stem from their pronounced market orientation, there are numerous differences among them, based on completely different principles and goals of their functioning.

In this sense, the main focus of lean supply chains is to identify and eliminate all types of losses (related to time, inventory, excessive engineering, redundant processes or misinformation) along the entire supply chain, and through collaborative efforts of companies involved in efficient and effective directing products towards meeting market demands. Such a coordinated approach should enable a comprehensive improvement of performance, not only of the supply chain as a whole, but also of all its participants, by reducing time and costs, improving quality and increasing flexibility. These claims are supported by the results of certain research, which shows that companies, users of the lean approach of the organization of value chains, manage their stocks much more effectively, if the main indicators of performance in this field are turnover and total retention time. Namely, while in such companies the turnover ratio is 19.9, and the average retention time of finished goods is 20.9 days, companies that do not apply the lean concept have a turnover ratio of 10.4 and an average retention time of 35.4 days. The accompanying financial effects of maintaining a low level of inventory, in successful companies, are consequently manifested through lower costs of sold effects, ie the ability to respond more

successfully to challenges coming from the supply chain. Given its strong market perspective, the use of a lean approach requires very efficient demand management, which is primarily realized through accurate execution of end-customer orders. Seen from the perspective of the complete chain, this means that each seller (regardless of whether it is the primary supplier, manufacturer or retailer) delivers to the next sequence of the chain, or the buyer, only when it receives the appropriate pull signal from direct retail outlets. precisely specified quantity and characteristics of required products and services (Jovićević & Mihajlović, 2019).

Structure of a tourism supply chain

Today, as never before, huge efforts are being made to improve the overall performance of supply chains, through breakthrough technological innovations, "voice scanning" of customers and electronic data exchange (which enables rapid response to market impulses and coordinated targeting of joint activities.), then through the use of flexible production, automated warehousing and fast logistics, as well as through the development of new concepts such as lean and agile production, quick response, VMI (vendor managed inventory) and ECR (efficient customer response) initiatives, which together provide a suitable framework for the effective application of new technologies.

However, that is why it sounds paradoxical today that the performance of many supply chains has never looked worse, which, above all, refers to the unforeseen and significant increase in costs for all their participants. Namely, despite the listed positive initiatives, the lack of full engagement in the field of sharing common information and, consequently, the inability to successfully predict, analyze or understand demand in many industries leads to oversupply of some and shortage or insufficient supply of other products (Milunović et al., 2018).

Today, the main reason for such poor market performance of modern supply chains lies in the inability of companies to develop mutual trust, understanding and communication, which is reflected in the poor coordination of their business activities. and insufficient exploitation of market opportunities. The main negative consequences of using wrong market information and poor coordination among partners in the value chain are manifested through the phenomenon of the so-called strong whip effect. Its effect is manifested in the fact that even the smallest fluctuations in the demand of end consumers cause a chain reaction along the entire

supply chain (from retailers to suppliers), which is accompanied by a gradual increase in orders and stocks at each subsequent link in the chain. For example, a retailer may interpret a slight increase in demand for a particular product in the market as a more permanent trend and order an unnecessarily large quantity of a given product from a wholesaler. The wholesaler then increases the order from the manufacturer, who, in turn, in order to ensure the appropriate level of product availability, reacts incorrectly to such requests by expanding production capacity or stockpiling, which in both cases is accompanied by increasing orders from suppliers and results in a drastic increase in costs.

Thus, the transmission of inaccurate data on demand along the value chain leads to the fact that its participants have different information on the size of demand, and, as a consequence, there is an unnecessary expansion of orders and increase in security stocks at each stage of the process. Instead of investing in timely and direct information from consumers, with more intensive mutual communication in terms of their effective exchange, companies in practice often choose to estimate further trends in demand based on the size of current orders, previous experience and distorted supporting information, which inevitably results in wrong conclusions. The ultimate consequences of the "strong whip effect" are ultimately reflected in rising costs, longer response times and declining profits of all participants in the supply chain, because after returning demand to normal, they have to deal with oversized capacity and overcrowded storage space. In addition, the fact that, despite the efforts of partners, there is a serious distortion of the competitive potential of the chain, among them may cause a loss of mutual trust and deterioration of further communication and cooperation (Aćimović, et al., 2021).

Undoubtedly, the main causes of the "strong whip effect" lie in poor communication between companies, lack of joint planning of activities and failure to use accurate information on the demand of end users of products and services in the market. Eliminating the inevitable and often present conflict of interest between different companies in the chain (which is often manifested through efforts to maximize profits at the expense of others) means developing awareness that the benefits of the chain as a whole must benefit all to its participants and that, therefore, it is necessary to keep in mind the effect of own actions on the position of other individuals and organizations in the supply chain. Probably the best way to overcome the problem of poor coordination in industrial chains and gradually neutralize the "strong whip effect" is to build a strategic partnership and long-term

trust between companies, which should be accompanied by the development of new, more adaptive and inter-organizational approaches to supply chain costs (Kostić & Rajković, 2022).

The previous presentations unequivocally point to the conclusion that the requirements of the end consumer should be the guiding idea that will start and manage the entire network of various business processes and activities within the observed value chain. In addition, modern practice has clearly shown that achieving customer satisfaction and loyalty today is the alpha and omega of all business activities of the company, ie the only real sources of their survival, development and profitability. The final products and services supplied by the chain meet their expectations or, in other words, the money they are willing to set aside for them. It is important to say that, unlike its observation from the point of view of shareholders and other stakeholders, value from the perspective of customers has a completely different meaning and characteristics. In this context, it can be defined as the relationship between a package of some unique product characteristics (quality, functionality, reliability, time of appearance, services, etc.) and the costs that customers incur when purchasing and using it. In other words, the perception of value from the point of view of customers is the result of the relationship between the total benefits they have from the product and its selling price, increased by all other costs of its operation.

Therefore, the main goal in this regard must be to develop in customers the feeling that they have received more or at least equivalent value for money. However, consumer satisfaction in modern business conditions is not easy to obtain and for their trust and loyalty, as never before, the intensified competition in the global markets of almost all industries leads to extremes. Variability and diversity of customer requirements, which occurs as a result of high levels of prosperity and intensive development of new technologies in developed countries. Customers are becoming more informed, critical and demanding, so with their good, almost expert knowledge of products and services, they put permanent pressure on sellers to provide them with exactly what they want, on time and in a place where it suits them best. They are "spoiled" and are constantly looking for improved options, innovation and flexibility of products, better quality, functionality and services, lower prices and faster response. The fact that customers are the only ones in a position to dictate the conditions on the market results in the trend of their declining loyalty, which means that if they do not get what they expect, they will easily look for an alternative solution in competing products. Finally, in addition to the required product performance,

customers today expect to provide a significantly higher level of support services in the package, which confronts supply chain participants with additional challenges and problems. In this regard, for the further course of the exhibition it is important to note that, although the buyer, in a broader sense, is each subsequent link of the industrial chain, which is supplied with the necessary resources from the previous link - supplier, end customer or consumer., at the same time, the most important sequence of the supply chain, the one that sends a crucial initial impulse about its needs and requirements, the satisfaction of which should strive for all activities and efforts of the entire network of different organizations.

In fact, it can be said that information about their needs is the primary reason for the existence of all flows of materials, parts, work in progress and finished products, which, together with accompanying services, through different stages of value creation, are directed towards them. For this reason, it is almost generally accepted in the literature that supply chain management (hereinafter SCM - Supply chain management), above all, should be viewed as a market-oriented concept, which will be successful to the extent that adequately, accurately, quickly, efficiently and without losses meet the expectations of end users of products and services. Having in mind the growing paradigm that today the competition is not between individual companies, but between supply chains, we can conclude that the winner in this competition will be the chain that most successfully sees and satisfies consumer demands in target market segments.

In this sense, a key prerequisite for successful competitive positioning of value chains in the market is that all their participants have a common vision and direction of what customers want and what are the ways to meet their expectations. Therefore, in the face of increased competition and growing market demands, supply chain partners must, more intensively than ever before, look for ways to adequately meet demand through cooperation and coordination of joint activities. The strength and success of individual partners will, in this context, be seen solely in terms of their contribution to generating adequate value for the end consumer in the market.

Therefore, it can be said that only with the adoption of the maxim "the right product in the right place and at the right time" companies make the first, but decisive step towards the much-needed market optimization of their supply chains. The operationalization of the previously presented idea points to the conclusion that one of the main goals of SCM is to synchronize

market expectations with material flows coming from the direction of suppliers, in order to more effectively balance customer value requirements with inventory reduction and cost reduction requirements. Companies (Mihajlović et al., 2021).

However, in order to adopt a common goal and focus of all participants in the supply chain, it is necessary to establish intensive communication with customers, which should ensure a continuous two-way flow of information along the entire chain. The first step in this process is, of course, careful study and analysis of market needs, in order to understand them well and, as a driving force, pass them in the opposite direction through supply chain flows. Effective targeting of these market impulses also implies careful market segmentation, the main purpose of which is to classify consumers into different target groups with similar behaviors and preferences.

The tendency of increasing market orientation and orientation of supply chains is the main reason why there has been a significant shift in the main focus of management from the front to the rear end of the chain, ie from suppliers to end customers. This perspective puts customers first, because they have the greatest power in modern markets and because their needs and requirements actually start a whole network of complex business activities, conducted by various individuals and organizations. Having in mind this trend, there is often an opinion in the literature today that supply chain management is much more correct to treat and call demand chain management.

In this regard, companies are, in parallel with continuous efforts to improve the supply process upstream, more and more engaged in finding ways to effectively manage demand downstream value chain. The main motive for this is the need to correct the negative impact of non-existent or poor information on market demand on the overall performance of the supply chain, which is primarily achieved by developing better cooperation and communication with customers. Namely, since the approach of forecasting or anticipating market demand often leads to very negative consequences, embodied in excessive accumulation or insufficient inventory, followed by slow response, inflexibility and rising costs of all sequences of the chain, companies today seek to harmonize supply and demand processes. by investing in better (more timely) information on real market demands.

There is no doubt that such efforts today are greatly facilitated by the emergence of new information technologies and the Internet, which allow

not only direct contact with customers and information about their needs in real time ", but also creating quality databases, ie forwarding them to different processes. supply. By listening to shifts and changes in market demand, through better cooperation and sharing of information with distributors, retailers and consumers, companies can undoubtedly reduce the negative consequences of errors in forecasting demand, but this should be accompanied by a much more proactive orientation of the supply chain as a whole., which must flexibly adjust and reconfigure its internal capabilities in order to better align with the collected market signals. Therefore, it is necessary that changes in consumer preferences are quickly transformed into new marketing strategies and new approaches to demand management, which need to be integrated with redesigned supply chain flows. The practice of the company has clearly shown through numerous examples that the reward for such an effective approach comes in the form of a significant increase in sales volume and profitability of all participants in the supply chain.

Closely related to the previously presented implications of the increasingly pronounced market orientation of supply chains is the shift of their focus from the traditional "pushing" of products through the chain towards consumers, towards the approach to products through the chain should be "pulled" by current market demand. The "pull" approach was initiated by the need to harmonize all supply chain activities with market demands, which, as previously pointed out, means that information on market demand is transmitted in the opposite direction along (upstream) supply chain flows, ie through distribution, production and procurement processes. all the way to differently grouped suppliers, who need to timely convert these signals into materials, parts, components or services with required specified characteristics. Because it reflects the response to current demand, the tendency to "pull" flows of material values, in finished products, should, over time, minimize the need for arbitrary forecasting of demand, which is immanent to the conventional approach of "pushing" products to market and which carries with it obvious shortcomings and weaknesses.

The idea that tourist destinations within the supply chain should, through constant expansion and harmonization of their business relations, function as a single organism brings to the fore SCM, as one of the key strategic tools for their successful competitive positioning. Today, central producers and their suppliers and customers tend to be more open, trusting and collaborative, recognizing that this is the only possible way to "squeeze"

costs out of their own supply chains and generate adequate value for stakeholders. In this regard, in order to meet the expectations of their shareholders for the highest possible return on investment, on the one hand, and to meet consumer demands for superior product value, on the other hand, companies are directed to constantly find ways to achieve effective cost control, both within its own borders and through the entire supply chain (Milojević, et al., 2020).

For manufacturers in industries such as automotive or computer, in which the share of externally acquired resources is up to 80% of total product costs, this carries with it the imperative to intensify cooperation and coordination with suppliers of necessary materials, parts and components. Also, the tendency to leave most distribution and after-sales activities to other, more specialized organizations on the market further increases the percentage of external costs, which are of strategic importance for successful positioning of products and services, so they must be taken into account when making competitive efforts.

Given that today it is very difficult for two companies to compete with each other with exactly the same set of activities, processes, customers and suppliers, even within the same industry, a detailed analysis of their individual supply chains is the first and most critical step in understanding market positioning. In this sense, building a sustainable competitive advantage implies a comprehensive knowledge of the complete set of related business processes and activities, which are performed from end to end of the industrial chain, from production of primary raw materials to delivery and after-sales services, with the aim of creating joint products and services., which will meet consumer expectations. As the supply chain is a sequential series of interdependent business activities, which create (or do not create) value for customers, each company should be viewed exclusively as a segment of the value creation system understood in this way. For example, a vertically integrated company may have a wide range of research, development, production and distribution activities, but, as a rule, it will never be able to perform all the activities in a given industrial chain on its own. On the other hand, in the same industry, a huge number of smaller companies can exist in parallel, which, as focused specialists, will cover various narrower segments of the chain. Which represents the supply chain in the paper industry, all these companies have their own chains, which in most cases compete with each other, although sometimes they can be complementary or interpenetrating.

Conclusion

Examples of successful practices of tourist destinations in this field are numerous and they show that eliminating activities that do not add value can achieve not only great savings in resource consumption, but also significant improvements in the quality and responsiveness of industrial chains. For example, the elimination of inventories allows the elimination of the whole set of activities related to their reception, storage, insurance, administration and manipulation, so the effects of such initiatives occur simultaneously, both in terms of cost reduction and in reducing the total time of business processes. Also, increasing the speed of responding to customer requests, in addition to better services, indirectly enables quality improvement, because, in conditions of low inventory, defective products can no longer be "hidden", but must be urgently removed from the production process. Thus, the fact that today the competition is no longer between individual companies, but between their supply chains, results in the need for much more aggressive, comprehensive and careful cost management than it seemed so far. Viewed from a supply chain perspective, characterized by integrativity, large number of participants and a wide spatial and temporal horizon, cost management, in itself, acquires a completely new, strategic dimension, with companies must constantly keep in mind the quality of relationships with chain partners. represents a key determinant of the success of all initiatives taken in this area.

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