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## **MANAGERIAL PECULIARITIES OF THE ENTERPRISE IN THE LUBRICANTS AND OILS PRODUCTION FIELD (CASE STUDY OF “NAFTAPRODUCT” LLC)**

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The automotive industry, as well as other sectors relying on machinery and equipment, heavily depend on lubricants and oils for smooth operation and maintenance. With the increasing global industrialization and transportation needs, the demand for lubricants and oils is expected to rise. Therefore, understanding the managerial peculiarities specific to this industry becomes crucial for efficient production and meeting market demands. The production of different lubricants involves a series of complex processes, such as blending, pouring, packaging, quality control, logistics, and sales operations processes. Managing these processes effectively requires specific knowledge and expertise in handling raw materials, ensuring product quality, optimizing production schedules, and complying with safety and environmental regulations.

Research was focused on exploring and analyzing the specific managerial aspects, skills, and strategies that are crucial for success in the lubricants and oils production industry. The study concerned the peculiarities of implementation of four managerial functions, such as planning, organizing, leading, and controlling in the sphere of production of oils or other petroleum products.

A bibliometric analysis was performed using such software tools as VOSviewer and Scopus Tools Analysis, and Google Trends during the research. The analysis of scientific works showed that today the subject of management in the production sphere, as well as productivity management, is sufficiently researched. However, the management of automobile industry enterprises was not considered enough. To solve this problem, a study of a specific enterprise was conducted and an assessment of its productivity and effectiveness of management methods was made.

The object of study was the lubricants and oils production industry itself, and specific representative enterprise of this industry, named “Naftaproduct” LLC, with a particular emphasis on the managerial practices and challenges faced by enterprise. The “Naftaproduct” LLC is the Ukrainian enterprise, that located in Lebedyn, Sumy region. It specializes in the production of lubricants and oils and other oil refining products that are specifically designed for use in the automotive, agricultural, railway, marine, and industrial machinery field. Company’s products are aimed to provide optimal performance, protection, and longevity for engines, transmissions, and other vital automotive components. The enterprise may offer a range of different types of lubricants and oils, such as motor oil, transmission fluid, gear oil, hydraulic oil, industrial oils, and more.

The industry and particular company face very different challenges and issues connected with global market dynamics and competition, regulatory and compliance requirements, supply chain management complexities, technological advancements and innovation, and talent management and workforce development.

It is important to note, that the military actions in Ukraine started in the end of February 2022 and continues for now. Despite these circumstances, the enterprise continued to work, although it was on the verge of closure. Currently the company undergoing rehabilitation from the negative consequences of war and adapts to current economic situation. For this reason, the company has additional issues beyond it’s control, related to decline in demand on the market, delivery issues, related to unavailability of delivery to dangerous zones, and personnel reduction, related to demand decline.

Market dynamics and competition are crucial factors that shape the success and growth of companies in the lubricants and oils production field. The industry is characterized by intense competition, evolving customer demands, price sensitivity, market segmentation, technological advancements, and shifting market trends. The company has around 30 straight competitors on

Ukrainian market. The biggest of them are Shell, Liqui Moly, Moil, Castrol, and Yukoil. All these companies are multinational corporations with a huge experience on the market. It is to keep the competitive prices on different products. Another problem is lack of marketing activity, especially during war period. And one more challenge that each market segment company serves has its unique requirements and preferences. It is difficult for company to operate in each segment with the same capacity, and serve clients in different segments equally effectively. The proposition of authors for the company to be more competitive is to hire 2 specialists on full-time base, who will be responsible for digital marketing, social media marketing and marketing campaigns, and customer support issues. It will increase company's net sales by 18% and increase audience coverage and potential customers by 30-32% during the first year of operations.

The lubricants and oils production industry are subject to numerous regulatory and compliance requirements aimed at ensuring product quality, safety, and environmental sustainability. By effectively addressing the challenges related to regulatory and compliance requirements, company can demonstrate its commitment to product quality, safety, and environmental sustainability. This ensures their long-term viability and success in the lubricants and oils production industry.

Supply chain management complexities present different challenges for company. These challenges can significantly impact the efficiency, reliability, and overall performance of the supply chain. They encompass aspects such as raw material procurement, inventory management, transportation and logistics, production scheduling, and quality assurance. The transportation and logistics aspect of the supply chain can be complex, especially when dealing with hazardous materials such as lubricants and oils. Moreover, maintaining in-time production and delivery throughout the supply chain is crucial. By implementing strategic solution such as JIT practices implementation, proposed by authors, company will reduce production and warehousing costs, improve operational efficiency, increase flexibility and responsiveness to customer needs, enhance customer satisfaction, and gain a competitive advantage in the market. The main stages of implementation of chain management are presented in Figure 1.

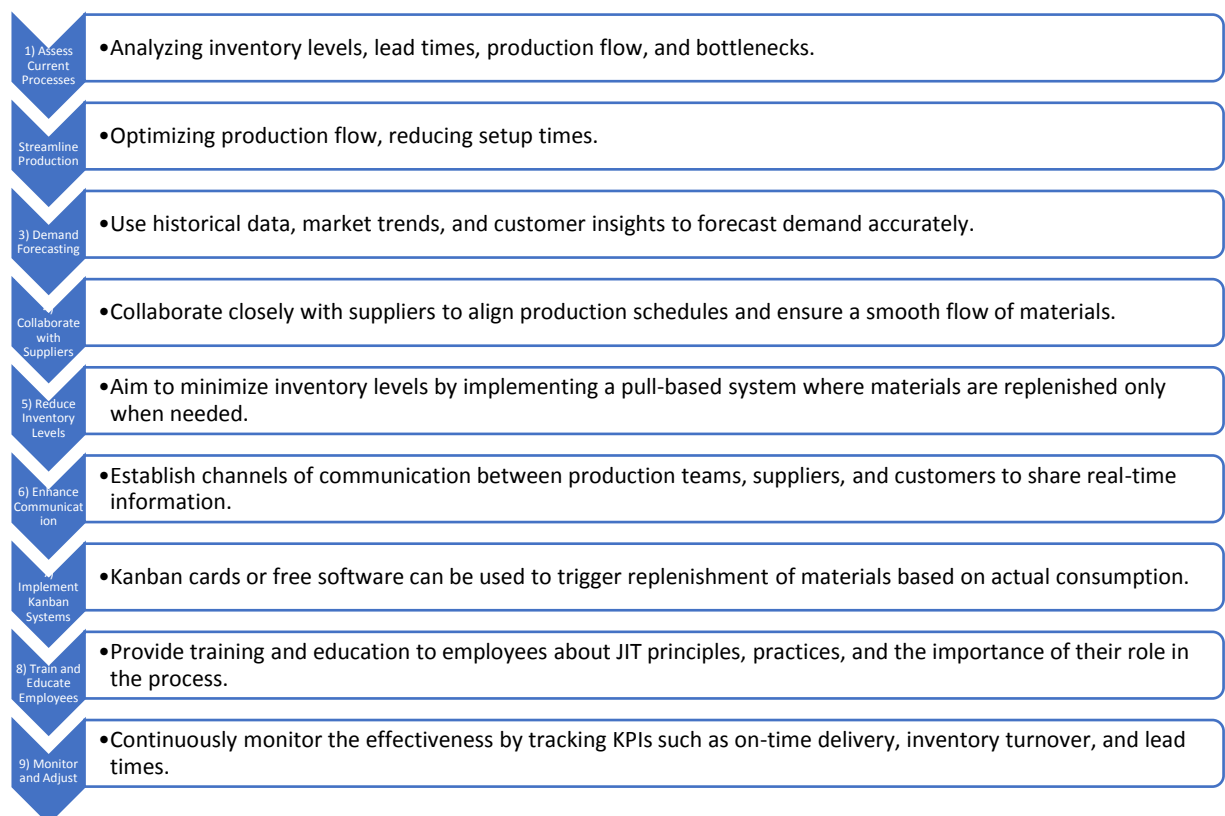


Figure 1 - The main stages of implementation of chain management

The main costs for this solution equal 36,000 of costs for employee's education, and 3,960 UAH for managerial software. The expected result of the implementation of such practices is operational costs reduction by approximately 20-24% during next 4 months. JIT can be very effective for a company, but it requires careful planning, solid supply chain management, and continuous improvement efforts to ensure successful implementation and reap the benefits it offers.

The company is also involved in international economic activity, mainly importing of raw materials. As far as is known, the company made attempts to enter the international market, but for lack of specialists, and worsening economic conditions, such activities was stopped. Managing a global supply chain introduces additional complexities. Our proposal solution that company should realize after the foreign market expansion by hiring foreign economic activity specialist for full-time base. In the case of 5-7 new foreign wholesale customers, the gross profit of the company will increase by 3-5% per year.

Technological advancements and innovations pose both opportunities and challenges for the company. While technology offers numerous opportunities for improvement and growth, it also presents certain challenges. Company needs to ensure proper planning, allocation of resources, and employee training to successfully implement and leverage technological advancements. Currently, several enterprises have ceased to exist on the market due to military operations. But the demand for some types of olives has not decreased.

Therefore, the company should pay attention to the production of some types of products, namely those that are in demand, but have some shortage. First, these are turbine oils, transformer oils. There is also a need to produce some plastic lubricants, in particular calcium and lithium, which are widely used both in industry and in agriculture. Moreover, in the segment of motor oils, I drew attention to the expediency of producing oils for heavy-duty equipment, including those that can be used in military equipment and machinery. As it turned out, for the release of some types of products, the company hasn't need in purchasing new equipment or storage containers for producing the new types of engine or transmission oils. The only measures it is necessary to make some changes in the technical conditions, and in the case of plastic lubricants, it is also necessary to introduce new technologies.

In case of implementing one new product, during the one year of operations in optimistic conditions, the profit will equal 223,200. In pessimistic conditions the profit will equal 148,800. It means the increase in gross profit of company will be 0.9% and 0.6% respectively. But the company can implement not only one product, but several and it will give additional opportunity to cover market demands.

The analyzed company also faces talent management and workforce development issues that can impact its overall performance and competitiveness. These issues stem from evolving industry requirements, changing skill sets, and the need to attract and retain top talent. Addressing these talent management and workforce development challenges requires strategic planning, proactive measures, and a focus on employee engagement and development. By implementing solutions to these challenges, the analyzed company can attract top talent, enhance employee skills and capabilities, and create a motivated and high-performing workforce. These efforts contribute to the overall success and sustainability of the organization in a competitive industry landscape.

In conclusion, the lubricants and oils production industry in Ukraine holds significant potential for further growth and development. Analyzing a specific organization such as "Naftaproduct" and its production and distribution management practices provided a deep and contextual understanding of managerial processes inside enterprise. Case study included a detailed analysis of real organization and help to understand specific peculiarities in its real-life context. Conducting such study provided valuable insights into the specific managerial practices and challenges within the industry of lubricants and oils, and similar production. And it gave opportunity to define strong and weak sides and make some recommendations for improvement of managerial processes, based on the analyzed information.

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