

## WHY DIGITAL LOGISTICS MATTERS

**Shpuntova E. A., Semashko E. A.**, students  
Scientific supervisor – Slesaryonok E. V., senior lecturer  
Belarusian National Technical University  
Minsk, Republic of Belarus

More than in many other sectors, digitalization is set to revolutionize the logistics industry. Digital innovations have been introduced at a slower pace in the oldest and most global commercial sector than in other industries. In order to thrive, logistic companies must choose between the development of a new digital organization and the digitalization of a traditional organization.

The creation of a digital startup offers some advantages – they are usually faster, more agile, innovative and more profitable than traditional organizations. This is partly because they do not have legacy systems and structures. Furthermore, you can recruit highly qualified and specialized staff, establish flat organizational structures, and be agile and capable of making information-based, fast decisions. The competitive edge of digital companies over analog ones lies in the development of and excellence in data and artificial intelligence capabilities to deliver real value added to their customers. End-to-end digitalization is crucial, including full digitalization of the backend processes to ensure efficient cost structures.

The logistics industry is being significantly transformed by digitalization. This is due to its many inefficiencies resulting from a large number of key players along the value chain and the intermittent exchange of information. Startups, digitalized logistics companies and automotive manufacturers are trying to address these inefficiencies and make life easier for established logistics companies through digital solutions and business models.

However, everything comes at a price: will these solutions be worthwhile and if so, who for? Not all of the players can be at the top of the value chain and pocket the lion's share. This privilege will be reserved for a few players only. In most cases, monopoly-like structures have become established because customers do not want to run around in different marketplaces.