

# Advantages and features of cross-docking in international and Ukrainian logistics

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Cross-docking essentially eliminates the inventory-holding function of a warehouse while still allowing it to serve its consolidation and shipping functions. The idea is to transfer incoming shipments directly to outgoing trailers without storing them in-between.

Modern logistics distinguishes 4 main types of cross-docking: manufacturing, distribution, transportation and retail cross-docking.

As for the products, best suited for cross-docking are perishable goods, high-quality goods, pre-packed goods, etc.

Among main advantages of cross-docking we can highlight reduction of transportation costs, faster deliveries and distribution, less risks for inventory handling and damage of goods.

Still, cross-docking can be followed with some problems, such as violations in control management, damage of goods during transportation or handling. What is more, not all clients are adapted to the new method of distribution, that can lead to difficulties on particular stages.

While pursuit of the “perfect order” will always be a daily challenge, today’s global marketplace means that companies are under increasing pressure to quickly fulfill product orders across complex networks – and to do so without making costly errors that might drive business away. This has led to a rise in the use of cross docking, and the need for an automated solution that ensures the supply chain is not sacrificing accuracy for speed.

Cross-docking shows great results during being applied by European logistics companies, such as Zammler, Walmart and others. It has a great potential for future development of economic stability of any country, but requires introduction of new working conditions, especially in Ukraine. Our companies face a number of limitations, like lack of financial investments, caused by high rent prices for warehouses. In addition, cross-docking must be supported with well-managed technological and software innovations, what can be reached by full transformation of companies’ organization model.