Strategic Cost Management

การบริหารด้านทุนเชิงกลยุทธ์
The Subsystems of an Accounting Information System

- Accounting Information System
  - Financial Accounting System
  - Cost Management System
    - Cost Accounting System
    - Operational Control System
Factors Affecting Cost Management

- Global Competition
- Growth of the Service Industry
- Advances in Information Technology
- Advances in the Manufacturing Environment
- Customer Orientation
- New Product Development
Factors Affecting Cost Management

- Total Quality Management
- Time as a Competitive Element
- Efficiency
The Role of the Management Accountant

- Planning
- Controlling
- Continuous Improvement
- Decision Making
Strategic decision making is closing among alternative strategies with the goals of selecting a strategy, or strategies, that provides a company with reasonable assurance of long-term growth and survival.

The key to achieving this goal is to gain a competitive advantage.
Strategic cost management is the use of cost data to develop and identity superior strategies that will produce a sustainable competitive advantage.
**Competitive Advantage** is the process of creating better customer value for the same or lower cost than that of competitors or creating equivalent value for lower cost than that of competitors.
Customer value is the difference between what a customer receives (customer sacrifice).

The Total product is the complete range of tangible benefits that a customer receive from a purchased product.
There are three general strategies that have been identified:

- **cost leadership**
- **product differentiation**
- **focusing**
General Strategies: Cost Leadership

A cost leadership strategy happens when the same or better value is provided to customers at a lower cost than a company’s competitors.

Example: a company might redesign a product so that fewer parts are needed. Lowering production costs and the costs of maintaining the product after purchase.
General Strategies: *differentiation strategy*

A *differentiation strategy* strives to increase customer value by increasing what the customer receives (customer realization).

Example: A retailer of computers might offer onsite repair service, a feature not offered by other rivals in the local market.
General Strategies: *focusing strategy*

A *focusing strategy* happens when a firm selects or emphasizes a market or customer segment in which to compete.

Example: Paging Network, Inc., a paging services provider, has targeted particular kinds of customers and is in the process of weeding out the non-targeted customers.
The scope of cost management must be comprehensive and include all activities across the entire value chain of the organization such as total life cycle costing, target costing, environmental costing, benchmarking etc.
Q&A