

Strategic Cost Control and Management in Corporations

Yichu Han^{1,a,*}

¹Cooperative School of International Education, Tianjin University of Commerce, Tianjin, 300134, China

a. hanyichu@stumail.tjcu.edu.cn

*corresponding author

Abstract: In today's new situation and new state of affairs, the modernization of society with the gradual development of information technology, with people's consumption level, medical level of life gradually improve the pursuit of culture is more and more diversified, information is more and more prosperous. Various industries and fields have begun a new class of more intense competition, they are not limited to business competition, but need to go from the root of the reasonable integrated planning, in order to put more favorable funds into the follow-up input and important links, so in the current situation to form a good enterprise cost management control is critical to determine the development of the enterprise. This paper will discuss the importance of enterprise cost management control through the four different industries of enterprises according to their characteristics, and provide a certain exploration program, expound the relevant theories of enterprise cost management control, and combined with the status quo to give the basic measures.

Keywords: Cost Control, Strategic Management, Industrial Differentiation

1. Introduction

The development of economic construction - the original cost management mode of enterprises cannot meet the needs of today's development, affecting the future development of an enterprise. For an enterprise to obtain market competitiveness and stand out among many enterprises, it is necessary to reduce its own costs and reserve more sufficient funds for product research and development, product quality improvement, etc. Therefore, the cost management control of the enterprise is very important.

From today's point of view, some enterprises have high energy consumption, high cost, low profit management status quo, the need to implement efficient modern cost control and management concepts to improve and perfect, only the full use of advanced cost control and management methods, can enhance market competitiveness in a subtle way, so that enterprises can obtain higher income [1]. In the context of enterprise cost management in today's era, it needs to improve the business capacity of the enterprise in order to increase its share of the market, enhance its market competitiveness to improve the ability to cope with economic fluctuations [2].

Excellent enterprise cost control management methods can save a lot of production labor costs, improve economic efficiency and obtain a higher market share. Cost control management methods are not only simple control of the enterprise's obvious factors, such as production spending, it is also from all aspects of the enterprise, including the creation of a positive enterprise cost control culture,

so that every enterprise is from the heart of the focus on cost control, and to improve cost accounting and management methods, improve the cost of the appraisal system, and cost control quotas reasonably implemented into the enterprise's reward and punishment mechanism to go, strengthen the procurement system, strengthen the procurement system, and the cost control system to improve cost control. Strengthen the procurement system, and suppliers to establish a high degree of mutually beneficial strategic relationship, increase the turnover rate of the two sides of the library, reduce costs, or find new qualified suppliers in order to obtain the market price changes and so on.

Cost management control has a lot of risk factors, including the budget plan is not scientific enough, managers think backward, the operation mode is relatively backward, the management mechanism is not perfect and so on [3]. To fully solve these problems, it must according to the different enterprises to carry out different analysis. Propose targeted solutions.

The following section will discuss how to carry out enterprise cost control and the importance of enterprise cost control from four different enterprise fields: technology companies, medical companies, manufacturing companies and retail companies.

2. Cost Management in Technology Companies

In recent years, technology companies with the rapid development of China's market economy into a new period of rapid development, more and more technology companies to carry out different scientific and technological research to promote the development of various brokers for the transformation of the company in order to seek a higher market position. Technology companies in the process of development must increase the development of new technologies and research. Because with the ever-changing life development, people for different items of science and technology needs are increasing. In order to meet people's needs, technology research and development must keep pace with the times, the initial technology companies must be greater capital investment in the research and development of science and technology and product publicity. In this link, part of the science and technology companies due to the lack of a complete cost management control, resulting in incomplete funding after most of the funds invested in research and development. It is unable to meet the company's daily needs, so the rational allocation of funds within the company to do a good job in the development of technology products to enhance the core competitiveness of the company and is very important.

2.1. Current Situation of Technology Companies

In the technology company's R&D process, the company must be most of the internal funds invested in the research and development of new products. The technology company managers should first set up a more advanced cost management strategy and concepts, in order to manage the entire company's staff and all the process of strict cost management control. But for some of the science and technology company managers, they pay more attention to scientific and technological research and development and product innovation. Cost management control is considered to be a trivial point, so do not pay attention to, resulting in a large amount of money invested in the development of products in the early stage. It results in the day-to-day activities have been seriously affected, and even because of the high cost of research and development led to the science and technology company. Part of the technology company's personnel for the cost management has some knowledge and has a certain degree of attention. They lack effective cost management industry value chain analysis on the internal value chain analysis. Part of the management staff detached from the day-to-day product development and innovation process they cannot grasp some of the key parts of the product chain in the R&D process resulting in a large number of raw material waste and so on. Aggravate the cost of the technology company, in the external value chain analysis, the cost of the technology company. In the process of

external value chain analysis, some technology companies are unable to understand the importance of their suppliers. People do not shop around to find cheaper prices and better quality raw materials manufacturers lead to the purchase of raw materials in the process of a large amount of waste of resources, so that the company's development has been affected. There are some technology companies who have some cost management control concepts but no long-term planning. They only carry out short-term cost control, such as layoffs, reduce the funds of technology research and development to reduce the cost of other departments. These methods can be achieved in a short period of time, but in the long term the impact on the future is negative.

2.2. Methods to Cost Management in Technology Companies

In order to solve these problems, first of all, corporates should set up an advanced lean cost management strategy concept [4]. Corporates can not only consider the more obvious problems, such as purchasing relatively cheap raw materials to reduce production capacity, etc. They should consider some hidden problems should be the company's capital flow of all aspects of the comprehensive monitoring to ensure that each link is foolproof. There will not be a waste of funds and develop a long-term cost management concept as the foundation of the whole technology company. Secondly, corporates have to achieve effective value chain analysis, optimize the cost of the technology company it has to determine. They have to determine the direction of development of research and development product positioning and management personnel after a variety of step-by-step discussions in its various tests. Corporates determine how much raw material is needed to achieve better scientific research results within the scope of savings, and let the company management personnel to simplify the procurement. It can let the company managers to simplify the procurement and sales of the value chain, such as let the company managers to the purchasing department, by adapting the raw material delivery method or reduce its labor costs to control the expenditure on the transportation of raw materials. Science and technology companies also need to improve the ability of accounting staff, accounting staff to carry out the reward and punishment system to improve the work enthusiasm. Constantly, it optimizes the accounting system so that the accounting department can significantly improve the efficiency of the work of the company to do a good job of cost management. With the continuous development of information technology, it results in a new management based on the integration of data and mining technology [5]. It strengthens the construction of information, the implementation of the overall management, because the construction of information technology can greatly facilitate the staff's work, the implementation of the new management. The construction of informationization can greatly promote the efficiency of the staff, thus reducing the company's personnel costs.

3. Cost Management in Medical Companies

In today's rapid social and economic development, the modern medical system is gradually improved. The number of modern hospitals gradually increased. The construction of the medical system is very important for China, which provides support and protection for the people's health. In today's rapid development of the medical system, the cost management control of the hospital has gradually become a problem, modern hospitals only do a good job of cost management control, in order to realize the maximum profitability of resources, improve the social strength of the hospital and economic level.

3.1. Current Situation of Medical Companies

In the current information environment, most of the hospitals do not have a high degree of attention to the cost management control of hospitals. Their hospital managers do not have a good

understanding of cost management control, that cost management control is just checking the books and other very basic things, the lack of standardized, advanced cost management control system, cost management is not just a basic financial activities. It is also a dynamic management process. Most of the hospital cost management and control methods there are certain problems due to their concept is not advanced and not enough attention, resulting in the cost of management between the various departments is too old-fashioned way. It cannot adapt to the development of the contemporary rapidly changing health care system. Part of the hospital cost expenditure lack of a clear plan of management Well, for example, the cost of the hospital is shared equally by the various departments of this distribution model on the surface seems to be fair. In fact, think about it is not fair, because the various departments of a project or a medical industry to invest in the economy and time costs are different. If not according to its labor distribution will lead to conflict between the departments, not conducive to long-term development. Some hospitals in the development process blind pursuit of the pursuit of advanced medical goods and the expansion of the scope of neglect of their own income and expenditure imbalance, resulting in increased debt management failure and other difficulties [6].

3.2. Methods to Cost Management in Medical Companies

First of all, it needs to strengthen the management of fixed assets in the hospital's daily medical services need to invest in a large number of instruments and facilities. However, part of the hospital is not based on the needs to buy instruments, but to buy more expensive imported instruments, etc. Hospitals in the choice of instruments and equipment should be considered in the cost-effective, not that the more expensive the better the equipment. It should choose cost-effective facilities, the additional funds for the hospital in other construction processes. Other construction process of the hospital. Secondly, it should regularly organize the checking statistics, and do a good job of summarizing and analyzing each step of the modern hospital cost management of operating costs include two parts, the first part is fixed assets the second part is current assets, fixed assets are the costs incurred by the hospital practice, such as logistics, the purchase of clothes, the maintenance costs of the product and so on. These has to coordinate with the coordination of various departments and offices, to prevent the independent calculation. After the books of confusion, to establish a unified financial basic and the establishment of a basic cost management system in a timely manner to investigate and deal with the reimbursement of the establishment of a good system of incentives and penalties. Secondly, it has to improve the cost management awareness of medical personnel to start from the root, so that every employee of the hospital and every manager should pay attention to the cost of the management and control of the cost of the company as long as from the root of the start. Everyone does a good job of their own share of the cost of the management of the company. Cost management will also get a good development. Finally, it has to make good use of modern science and technology to create a hospital information resource base, the use of big data to help us analyze the data, better to manage costs.

4. Cost Management in Manufacturing Companies

In the context of the diversified market environment, the competitive pressure of manufacturing enterprises is also increasing [7]. Cost reduction for the management of the manufacturing industry is very important for a basic in order to achieve the goal of maximizing profits. It is necessary to reduce costs and cost control to trigger the optimization of the traditional production cost management model to meet the requirements of the modern manufacturing industry. The establishment of a standard cost control system can enhance the competitiveness of enterprises to achieve more corporate profits.

4.1. Current Situation of Manufacturing Companies

For today's traditional manufacturing industry, most of the traditional manufacturing industry after the cost accounting time. It usually at the end of the month for cost accounting, cannot timely feedback in the middle of the month and the beginning of the month, for its production resources cannot be done. The role of advance guidance and control. Resulting in cost control on the surface, it cannot start from the root to enhance the competitiveness of the enterprise. The method of costing is also not accurate enough, due to the fact that manufacturing enterprises involve more raw materials and have a lot of hidden expenditures, for example. Water and electricity staff management maintenance equipment. Costs, so the calculation method is complex, there is no advanced information collection cannot achieve the accuracy of the calculation results. It cannot do the cost management control of the fine. These are the two main problems of the modern manufacturing industry problem [8].

4.2. Methods to Cost Management in Manufacturing Companies

First of all, it must through modern information technology, cost management control data in real time, accurate unification and analysis. Ensure that the cost of each component as well as the cost of materials. The cost of the sub-materials belonging to it. Want to control. The cost of the product must be strictly controlled. The product belongs to the cost of each part of the collection of information technology can be tracked through the real-time cost of each product to increase or decrease its development of targeted control programs. Secondly, it has to integrate finance and business, so that the financial sector and the business sector are connected to each other and communicate with each other, rather than separate two departments so that they work closely together to achieve real-time monitoring of the flow of funds and goods, synchronized management. This increases the financial sector of the reward and punishment system, so as not to produce because of the failure of the financial sector led to cost management control problems. Good to improve the efficiency of the use of funds, not in the useless items up and down the article will be most of the funds invested in the development of the products in the items. It seeks to be practical, the pursuit of cost-effective communication with the source of business, through the long-term stability of the purchase of the way to reduce its purchase price, so as to achieve the concept of cost management and control.

5. Cost Management in Retailing Companies

In recent years, with the rapid development of China's economy, people's material level gradually improved. The demand for a variety of daily necessities gradually increased. People need more living goods to supplement their lives empty, so in the daily lives, department stores, daily use of hundreds of stores and other modes of endless, resulting in the rapid rise in the level of development of the retail industry. Although China's retail industry has a large number of capacity level, but and other countries to compare the retail industry. China's retail industry still cannot occupy a higher level, so in order to be more competitive in the international arena. It needs to look for more advanced, more new ways to improve its cost management, improve its capital reserves, so as to improve its operational capacity, to occupy more markets. According to the survey, the inventory turnover days of Chinese supermarkets are much larger than the average days of American supermarkets. The average payment turnover period in China's retail industry is also higher than that of the U.S. Therefore, corporates have more room for development and progress, and improvement through efficient cost management control. For the old traditional industry of retailing, the business process is slightly simpler, mainly in the ordering of goods and the collection of payment [9]. These two are also the most important aspects, so it has to carry out cost management, control should start from these two aspects.

Corporates first need to carry out a large number of long-term ordering program, select the items suitable for the orders, more in line with the public or by the public like the goods. They do not seek luxury things, more close to the civilian, and with the original manufacturers to reach a long-term effective and efficient cooperation. In order to get a lower price of goods, to control the cost of goods, and to establish a good and effective and efficient information management system, it can get the cost of different items on the market, the price changes. The cost of different items on the market, price changes, in order to improvise. For example, choose cheaper items, or choose more efficient and excellent original manufacturers. Secondly, it needs to strictly control the ordering price of the goods in order to obtain a higher profit. When corporates carry out this stage, it has to control the hidden consumption, such as the transportation method that it needs to choose when the items are delivered. It can control the relatively inexpensive transportation method to reduce. For the consumption of funds. It can attract a large number of customers to buy the items through some novel means to get higher profits. It has to build a lot of databases, expand the size of databases, collect and analyze the massive data and join them. Generating the storage of big data can be done through the ability of cloud computing. Allowing it to be analyzed can reduce the capital investment in management, accounting, and information technology, saving personnel costs as well as accounting costs and so on. It can establish a large number of online. Service platform, in this rapid development of the Internet now, more users can directly through online platform for purchase, human cost as well as management cost. It can through the number of online customers to buy items, to determine which items are hot products, and then increase the purchase of them, reduce the purchase of cold products. From the root of the control of the cost control of product purchases, and it has to start in the financial sector to control the degree of accuracy of the financial sector, to establish a good reward and punishment mechanism to improve the efficiency of the financial sector. Financial cost management helps to improve the efficiency of resource utilization of enterprises [10]. Only to start in the financial sector cost management can be more conducive to the cost management of the entire enterprise.

6. Conclusion

With the progress of society, the enterprise cost management control has become deeply rooted. According to the analysis of medical companies, technology companies, manufacturing companies and retail companies. The establishment of a perfect and excellent enterprise cost management control is beneficial to the long-term development of the enterprise. Beneficial to the long-term development of the enterprise, in the subtle enhancement of its market competitiveness, can save a lot of medical costs, personnel costs. As well as reducing production costs can improve the economic efficiency of enterprises, to obtain more market value. Therefore, many enterprises in modern society should have to establish a comprehensive advanced cost management control strategy concept. Do a good job of analyzing each part of the value chain. Strengthen its information construction so as to realize effective and efficient cost management.

References

- [1] Wang, Z. (2022). Talk about modern enterprise cost control management. *National Circulation Economy*, (04), 61-63.
- [2] Chen, J. (2024). Problems and Countermeasures in Cost Management of Enterprises in the New Period. *Financial Guest*, (03), 54-56.
- [3] Liu, Y. (2024). Risk factors and control strategies in enterprise cost management. *Vitality*, 42(05), 154-156.
- [4] Zeng, J. (2023). Strategic thinking of cost management in technology companies. *Modern Marketing (Upper Ten)*, (03), 125-127.
- [5] Zhai, X. (2023). Research on the Strategy of Strengthening Enterprise Cost Management and Control. *Small and Medium-sized Enterprises Management and Technology*, (13), 97-99.

- [6] Niu, X. (2022). *Exploration of cost management strategy under modern hospital economic management system. Business News*, (26), 139-142.
- [7] Chen, Y. (2024). *Research on financial strategy of manufacturing enterprises in the new economic environment. Vitality*, 42(05), 121-123.
- [8] Liang, L. (2012). *Discussion on Cost Control Advantages of Manufacturing Enterprises Based on ERP Environment. Journal of Xianning College*, 32(06), 86-87.
- [9] Hu, Y. C. (2018). *Talking about cost management in retail industry from Wal-Mart. Technology and Innovation*, (19), 96-98.
- [10] Cao, H. (2024). *Exploration of enterprise financial cost management and internal control ideas. Study of Finance and Accounting*, (03), 167-169.