

Management Framework of Enterprise Cost

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Abstract. For businesses, the cost of management is an important component content management, enterprise level in recent years as the increasingly fierce market competition; cost management is gradually being valued by enterprises. Enterprise cost management framework for enterprise cost management plays an important role in guiding. In this paper, the basic concept of enterprise cost management framework for enterprise development and function, and proposed the construction cost management policy framework.

Introduction

Enterprise cost management, enterprise content management framework to guide the practice of cost management, including all aspects of cost management system, such as financial management, logistics management, production management, etc., in this unified management to achieve lower cost of doing business purpose. In the modern enterprise management, cost management has become an important content management, many enterprises in the management department also set up a special department cost management, cost management for enterprise visible attention is an inevitable trend of modern enterprise management development.

Significance of enterprise cost management

In business development, the cost of management and control has always been an important enterprise content management, cost includes the cost of production costs, service costs, logistics costs, cost of sales and other aspects, cost management is integrated these costs management and control, to ensure product quality and service quality on the basis of lower costs, and thus serve to improve their overall profitability level [1]. Since China's reform and opening up, a large number of companies have emerged and gained rapid development, China's economy but also the transition from a planned economy to a market economy, in the current market economy, market competition, enterprises are facing very intense, reduce costs ``but also to improve their market competitiveness. At the same time, a number of cost management is an important enterprise business strategy.

The promotion role of cost management framework plays for enterprise development

Management framework concept was first proposed by the Bateson and Goffman carried out by the rich after the introduction of the sociology of culture, Goffman believed that the emergence of the frame to the practical application of various theories provide an important basis for cost management framework It is produced on this basis. Cost Management Framework is the basis of practice and the main practices of various enterprise cost management theory, management theory is the guiding ideology of practice by organizing, forming an architectural practice in the enterprise cost management theory, and continue to be rich and enrichment, and thus play a guiding role in the implementation of enterprise cost management. For enterprise development, although currently many companies have recognized the importance of cost management, but also increased investment in the implementation of cost management, but if there is no perfect guiding ideology, it is difficult to achieve good practice effect [2] . Thus it can be seen, the cost of the regulatory framework is essential

to guide the content of enterprise cost management implemented in enterprise development, but also to promote an important part of modern business management theory implementation.

Elements of cost management framework

Basic theory of cost management

For businesses, cost management is a proactive behavior management, is the enterprise in response to market competition, taken a series of cost management activities, involving all aspects of business management, rather than simply the production cost management, cost the fundamental purpose of management is to enhance their market competitiveness. Cost management, management objectives into their overall goals, the basic goals and objectives. Enterprises on cost management theory, reduce costs generally, there are two common ways, one through the existing organizational model for management to optimize production, improve production efficiency and control of production consumption. Second, by improving the basic conditions of production, the cost of this management approach requires a large capital investment, not an everyday cost management activities, but a one-time investment in improvements. From the perspective of enterprise development, the choice of cost management theory is also based on the specific operation and development of enterprises, but also in various stages of development operations, will choose different strategies. Many cost management mainly in the production areas, the cost of sales, service and other costs not pay enough attention, in fact this is not true, overall cost management is a modern enterprise cost management an important part.

Idea of cost management

Cost management, cost management should establish the concept of scientific management concepts such as Total, time values, contingency concepts, ideas have more motivation. Comprehensive management concepts have a comprehensive cost management, including comprehensive management personnel cost management aspects of the comprehensive participation and so on. In the enterprise development process, all capital and non-capital consumption generated by the consumption cost management should be incorporated into the system, the so-called comprehensive management concept is to look at a variety of business development arising in the overall environment for enterprise development in costs, including some non-capital, and intangible costs cannot be quantified. The time values mainly refers to enterprises should strive to reduce product development, production cycle, improve the market changes reflect the rate of so-called "time is money" in the enterprise cost management, to fully reflect the time value of this concept. The concept contingent mainly on the concept of the word "contingency", the so-called "contingency" is cost management means according to the specific circumstances, various changes and make the appropriate changes, scientific cost management philosophy have this notion of contingency cost management system is not static, but as the business grows, changes in the market and is constantly changing [3]. More motivation concept refers to the enterprise cost management should fully consider various factors such as the number of factors, factors batch plant factor, product factors, process factors and so on.

Cost management methods

The current management cost management in the main use of activity-based costing, standard costing, target costing, Cost Planning method, different cost management method in the application will have a different effect, while the applicable type of business has also been different. Costing is based on the consumption of goods and jobs for all cases of human resources, material resources, the cost of these resources into operations, cost accounting based on resource consumption, and integrated management, to develop appropriate management programs. Standard costing standard cost refers to the cost management as the core, through the system of cost accounting standards, such as consumption of unit production, consumption per unit of product manual, these elements of

management to standardize management. Target Costing originated in the 1960s in the Toyota, this method of cost management is to ensure that the target profit as the core, in all aspects of the product cycle management, in the development stage products do a good job cost control. Cost Planning is a method of design and development stage of the product, according to customer requirements or market demand for cost management, its core is to meet the needs of the customer or the market, product cost management on this basis, the advantages of this management approach is that can effectively improve the market competitiveness of enterprises. For businesses, the choice of cost management also specific situation of enterprises, different management methods have different application objects, the key lies in the enterprise to examine their own right.

Cost Management application

Cost management is the fact that the cost of application management in the specific application methods, in all aspects of decision-making such as cost management, control, analysis, assessment and other integrated management, cost management applications in the enterprise should focus on practicality and feasibility, to Recognizing that not all of the cost management theory is applicable to enterprises, but also different types of enterprises should be proper cost management theory. Enterprise applications cost management should first develop a comprehensive cost management framework, which is the guiding ideology of cost management theory, for the development of a framework can be combined with the specific situation of enterprises, the introduction of a number of cost management theory in his enterprise successful application [4]. On cost management, this is an ongoing process, which should be a correct understanding of enterprise cost management itself is a continuous improvement, and constantly improve the long-term process, the need for business development in all of the cost factors for the integrated management, so companies should set up a special cost management in the enterprise management department, responsible for cost management.

Construction strategy of cost management framework

Establish a correct concept of cost management

Enterprise cost management framework to build, it should first establish a correct and scientific cost management concepts, management concepts such as Total, on when the development of China's enterprises, the implementation of cost management, many companies lack the right kind of cost management concepts many enterprises still in the traditional cost management philosophy. As enterprises increasingly fierce market competition, emphasis on cost management to reduce costs is to improve the market competitiveness of enterprises an effective way. At the same time, enterprises should fully understand the core concepts of cost management, and actively introduce relevant personnel to provide adequate security personnel to implement cost management. Built from the perspective of cost management framework, the framework is inseparable from good cost management cost management concepts of proper support, whether it is for large enterprises okay SMEs, in the application of cost management all have a certain necessity.

Develop flexible cost management framework

Construction cost management framework should focus on flexibility, the so-called flexibility also refers to the cost of building to meet the specific regulatory framework for the development of enterprises, combined companies are facing market conditions, a more targeted framework to build enterprise cost management . For any kind of cost management is cost management theory or framework, not a panacea, it can not be applied to any business, and a lot of cost management in the application process will make the appropriate changes, whether it is Toyota's cost Foxconn cost management framework or management framework, in practical applications are constructed on the existing cost management theory a certain model, but with some modifications. It should be noted that in the current number of enterprises to implement cost management, many companies do not

realize the flexible use of this kind of enterprise cost management, some companies rote application of advanced cost management framework, but did not pay attention to their practicality, resulting in lost original effect.

Application of total cost management theory

In the modern enterprise cost management, total cost management theory is a very important theory for enterprise cost management status of view, pay attention to the use of comprehensive management theory is an inevitable trend. Construction cost management framework, comprehensive cost management is a very important application of basic theory, the overall management of Theoretical included in all aspects of the product life cycle cost control, rather than simply the production cost control. Situation on the management of business costs, the considerable number of enterprises that are based on the implementation of cost management cost management products, for the cost of product sales, service, research and development and other processes arising from both management control, the overall cost management theory can undoubtedly more effectively control costs and improve profits. For enterprise cost management, the cost of the regulatory framework to build applications in a comprehensive cost management theory will undoubtedly play an important role, both for improving the market competitiveness of enterprises or enterprise business management practices for injecting a comprehensive cost management theory enables the cost more perfect management framework, it is possible to achieve better results. But in the overall cost management theory, but also should pay attention to some problems, the cost of a comprehensive range of applications it management theory, on a comprehensive cost management theory, although the wide range of design, but not necessarily suitable for the specific situation of enterprises, enterprises should for its own characteristics, develop a more complete theory of comprehensive cost management application.

Establish complete cost management implementation supervision system

Establish and improve the supervision of the implementation of cost management cost management body is an integral part of the framework, if there is no corresponding supervision system as a guarantee, the cost of the regulatory framework is difficult to be guaranteed on the implementation of the results. Fundamental significance of cost management framework is to cost management play a role in guiding the specific cost management system is implemented, however, the implementation of any theory or system, if the lack of supervision system as a guarantee, then It is difficult to guarantee the implementation effect. In terms of cost management, this is a persistent long-term improvement and control work, for some management problems found in a timely manner to correct, the role of monitoring system that will monitor the implementation of cost management, cost management objectives completion of the assessment. In general, this oversight system is built into the cost of doing business in the administration, implementation monitoring and evaluation system and therefore need to quantify specific objectives, from the characteristics of view, to establish a monitoring system, it is important they how do management by objectives. At the same time, it should also be regular assessment of cost management, to quantify some of the appraisal data, while for some of the problems in the assessment of non-compliance, to analyze the reasons, to make the evaluation report and propose appropriate measures against.

Conclusions

Enterprise cost management, the cost of building management framework has an important guiding role in cost management also made specific implementation strategy, so companies in the implementation of cost management should pay attention to the cost of building management framework. Construction costs in the management framework, with some of the basic theory of cost management applications, while enterprises should establish a correct concept of cost management, comprehensive attention to the application of management theory, develop a flexible framework for cost management, cost management and establish a sound implementation supervisory system, in

order to ensure the implementation of enterprise cost management framework to build and cost management.

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