

ACTUAL PROBLEMS OF MANAGEMENT OF PRODUCTION COSTS

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To maximize profits, any enterprise must, among its priorities, minimize costs. The correct organization of the cost management system in modern enterprises will not only reduce the company's costs, but also quickly manage the costs and profitability of the organization, which, ultimately, will increase the efficiency of its activities.

The problem of cost management is one of the most complex and important in a market economy. At this stage, in the conditions of fierce market competition in all sectors of the economy, cost control is becoming one of the main tools of the enterprise in the competition, as the focused cost management allows you to reduce product prices, which, all other things being equal, allows the company to maintain and strengthen its market position.

Despite the crucial role of material incentives in solving any production problems, including in managing the efficiency of using production costs in practice, little attention is paid to these issues.

The cost management system is a multi-level system in which the object of management is the company's costs, and the management system is the subject of management. In practice, many enterprises face certain difficulties in solving various management problems, which makes it impossible to form an effective system for managing production costs.

The first problem is associated with many different types of expenses, therefore, an additional study of their classification is required for further generalization and optimization.

The second problem that occurs in the formation of an effective cost management system is directly the difficulty of accurately measuring the composition of costs, which has a significant impact on the implementation of accounting operations.

The third problem is determined by the ambiguous impact of costs on the financial result of the economic entity as a whole, which is expressed by the so-called accounting profit (loss). It depends on the applied cost accounting system in which reporting period a particular cost item will affect the amount of accounting profit, i.e. will become an expense.

From the foregoing, it can be noted that modern enterprises need to create a cost management system. To implement such a system, it will be necessary to carry out radical transformations of the entire enterprise management system: improve workflow, move to newer information technologies, change the organizational and functional structure of the company. You need to understand that cost management is not just calculating the actual cost of products (works, services), as well as the ability to generate cost data that would be useful to the control service in the market conditions for the company to make managerial decisions about cost management options.