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РЕВОЛЮЦІЯ КРЕАТИВНИХ ІНДУСТРІЙ: ЯК МАРКЕТИНГ І МЕНЕДЖМЕНТ СТВОРЮЮТЬ МАЙБУТНЄ

**ТЕЗИ ДОПОВІДЕЙ
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THE ESSENCE OF COST MANAGEMENT

The prospects for ensuring the efficiency of enterprises and improving it largely depend on cost management. The ability to systematically and rationally manage costs during periods of economic downturn increases the company's chances of "survival". Therefore, cost management is an important direction in the financial and economic management of the enterprise, which is supported by a significant number of scientifically justified frameworks, methods, and models of cost management systems. In turn, cost management consists of a set of clearly defined, interconnected, and continuous processes. However, a key problem is that, in practice, cost management is often unjustifiably ignored. As a result, there are frequent cases of companies reaching loss-making levels, and in some cases, even bankruptcy. Therefore, there is a pressing need to define the essence and characteristics of each of the cost management system processes, which will subsequently enable their practical implementation.

Cost management plays a pivotal role in the success and sustainability of any enterprise. By systematically planning, monitoring, and controlling a company's expenses, cost management ensures the organization utilizes its resources efficiently to achieve its objectives without overspending. One of the primary advantages of cost management is that it helps businesses optimize operational efficiency. By identifying unnecessary expenses and streamlining processes, companies can reduce waste, improve profit margins, and ensure better allocation of resources. In periods of economic uncertainty or market fluctuation, effective cost management becomes even more critical, as it allows businesses to maintain financial stability, ensuring they have enough capital to weather downturns or invest in growth opportunities.

Furthermore, cost management contributes to strategic decision-making. When managers have accurate insights into the company's cost structure, they can make informed decisions about product pricing, investments, and expansion plans. This, in turn, fosters long-term financial health and competitive advantage. Cost management is also vital for maintaining financial transparency and accountability, especially in large organizations. By systematically tracking costs across different departments or projects, businesses can ensure accountability and prevent cost overruns, ultimately driving profitability and operational success.

Thus, cost management not only supports the financial well-being of a company but also enhances its ability to make strategic decisions, optimize resource usage, and achieve long-term goals.

Many scholars have extensively researched cost management issues and contributed to the development of this field, such as Cooper R., Garrison R., Havrylchenko O., Horngren Ch., Kaplan R., Norton D., Porter M. and many others.

In order to discover the essence of the cost management, morphological analysis is performed in table 1.

Table 1

Morphological analysis of the cost management concept

Author	Cost management definition	Genus
Souri F. [1]	Cost management is a system for planning and controlling costs, aiding in the identification, classification, and allocation of information for effective decision-making and expense reduction.	system
Taschner A., Charifzadeh M. [2]	Cost management is the combination of activities and tools used to influence and control costs in order to achieve company goals.	combination of activities and tools
Kvasnytska R. [3]	Cost management is defined as an integral system of organizational and functional support and a methodological toolkit of influencing the process of spending, aimed at obtaining a high positive financial result for the enterprise.	integral system
Shinkevich A. I., Antipova O. V. [4]	Cost management involves analyzing resource use and external factors to optimize production costs, enhance decision-making efficiency, and improve resource utilization within an enterprise’s specific context.	analyzing and optimizing costs
Yampolska N., Imanov E. [5]	Cost management involves the processes of planning, monitoring, and controlling costs to ensure efficient resource allocation and financial stability within an organization, particularly in public catering contexts.	processes
Osadi B. E., Okpako Uyeh Israel E. O. [6]	Cost management is an activity that aims to cut down on unnecessary costs in order to increase profit in business performance.	activity
Banker R. D. et al. [7]	Cost management involves understanding how managerial decisions, influenced by constraints and biases, affect cost behavior, enabling better control and optimization of costs within organizations.	understanding

The commonalities in the provided definitions of cost management can be summarized as follows:

1. Control and optimization of costs. All definitions emphasize the process of controlling, reducing, or optimizing costs to achieve efficiency and better financial results.
2. Support for decision-making. Cost management is consistently seen as a tool for providing critical information that aids managers in making informed decisions regarding resource allocation and cost control.

3. Planning and monitoring. Each definition highlights that cost management involves systematic planning and continuous monitoring of costs, ensuring that resources are used effectively to meet organizational goals.

4. Resource utilization. The definitions focus on understanding how costs relate to resource usage and aim to optimize the use of these resources to improve performance and profitability.

5. Goal-oriented. Cost management is framed as an activity directed at achieving broader company objectives, whether through financial stability, operational efficiency, or profit maximization.

6. Adaptability to context. Some definitions stress the importance of considering both internal factors (resource allocation, processes) and external factors (market conditions, industry standards) in cost management.

Thus, cost management is a systematic approach to planning, controlling, and optimizing costs within an organization to achieve its financial goals. It encompasses various methodologies and practices aimed at identifying, classifying, and allocating costs effectively, ensuring that resources are utilized efficiently.

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