

# Detailed ct

[Literature](#), [Russian Literature](#)



COST TABLES (CT): this is a cost management tool used to compare between different suppliers and their costs and an organization's production cost with that of an external organisation. (Yoshikaw, Innes and Mitchell, 1990) gave an analysis of the uses and diversity of CT. CT could be summarized or detailed.

The detailed CT are done by advanceTechnology,' analysing' and comparing the ' what if's'. The outcome of the analysis concludes a 'make' or 'buy' decision. This takes place within the VSC -(the powerhouse for decision making in the chain to enable it access cost of suppliers).

COST SPLIT-UP - (CSU): This can also be referred to as cost analysis. Organizations making use of CSU build trust within themselves (the configurator and the partners). This model enables the supplier to make cost calculations based on the buyer's specification. The buyer gets insight into the breakdown of the cost at each stage of activity. In reference to (Bromwich, 1989), cost analysis is an essential component of SMA and IOMA. CSU is used more by organizations already implementing Porter's 1985 low cost strategy.

STRATEGIC COSTING - (SC) AND VALUE CHAIN COSTING - (VCC): According to Shank and Govindarajan, (Guilding, Gravens and Tayles, 2000) is used to ascertain how strategically attractive an organization stands in the future. Strategic and market information are the main source of data to be analyzed. The use of Value Chain Costing is for the back- up activities - (design R&D, HRM) and core activities - (logistics, production, market and services) are attached a cost.

STRATEGIC PRICING - (SP): Referencing (Guilding, Cravens and Tayles, 2000), the initiators of SP, determiners like opinions on competitors' prices and price elasticity, market growth economy of scale and experience are all appraised. This model is connected to markets and revenue.

TARGET COST - (TC): according to (Ellram, 2002) in (Miguel, Martinez and Ramos, 2004), TC should include the production and procurement expenses incurred in a product or service. This cost can be broken down into cost of production, operating cost (marketing, sales R; D) and purchases cost. TC has three main points of focus: estimation of selling/service price based on the product attribute, calculation of TC based on targeted profit and establishing a previous TC.

VALUE ANALYSIS - (VA): this has to do with the customer and customer value. This process describes the transformation of cost to revenue, reflecting what the customer is willing to pay for a value. According to (Ellram, 1996), organizations need not acquire cost for values a customer does not crave for. (CIMA, 1996, p. 34) - An evaluation of determinants influencing the cost of a product with a mindset of creating value at a minimum cost with focus on reliability and quality as features.