

STRATEGIC COST MANAGEMENT ACCOUNTING INSTRUMENTS AND THEIR USAGE IN ALBANIAN COMPANIES

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ABSTRACT

With the entry of the 20th century and the introduction of new economical and technological realities the way of making business was radically transformed. The barriers of communication and geographical distances that previously protected the domestic market dissolved leading to a unified global market. In these conditions, where the global market is becoming a single market without barriers or frontiers the competition among the companies for surviving is at highest levels. To be able to stand the competition now the companies need more complete and sophisticated information to accomplish long-time strategic goals. The traditional management accounting is focused more in the company's costs occurring in activities like marketing, design, assembly, QC inspection, production, distribution, warranty costs etc. As the companies are now considered not a separate unit, but is an integrated part of the global market supply chain, its responsibilities are wider and deeper. In this new reality they have to consider the external costs too like user's costs like life-cycle costs, transportation, maintenance and environmental costs too. With the sophistication of the information required by the managers the traditional cost management account evolved into strategic cost management (SCM) which includes external information and cost drivers as well the processing of the non-financial information. As the study area of SCM is very wide there is a debate regarding the types of instruments and their usage. The aim of this study is to analyze the appliance of the SCM by Albanian businesses and to identify the most used SCM accounting instruments. The methodology used in the preparation of this paper will be the utilization of a wide range of literature and the usage of interviews and questionnaires to the target group.

Keywords: Strategic cost management, supply chain.