

economic) initiation and implementation of entrepreneurial activity, the level of protection of the business sector from internal and external threats, and the place of entrepreneurship in minimizing economic security risks.

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OPTIMIZATION OF ENTERPRISE COSTS AS A WAY TO ACHIEVE COMPETITIVE ADVANTAGE

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Cost management is a system of purposeful influence on the composition, structure and behavior of costs and their factors at all stages of formation and distribution of costs, based on the use of objective economic laws and management functions to increase the efficiency of the enterprise based on cost optimization, ensuring its competitiveness in the market and the achievement of strategic goals and current objectives of its development. The main task of cost management is to find the most efficient way to use available resources, namely cost optimization [1].

The process of optimizing the activities of the enterprise - is ways to find the most effective management methods in which the company would get the maximum effect with minimum costs.

Cost optimization is a continuous process of planning, accounting, analysis, cost control and decision-making on further economic policy of the enterprise using tools to motivate employees at all levels of the existing organizational structure. Planning is carried out in order to determine the required level of costs to ensure the efficient operation of the enterprise, as well as the calculation of profits that will be obtained at a certain level and cost structure; accounting - involves observation, identification of measurements and registration of the facts of consumption of resources in the process of economic activity of the enterprise; the analysis is carried out in order to determine the degree of rationality of costs and assess the impact of relevant factors on their level; organization and control - is to determine the places of formation of costs and centers of responsibility in order to track the causes of overspending or savings and identify those responsible for it; decision-making in the

field of costs is carried out in order to justify the feasibility of production of certain types of products, the choice of equipment and technology, the formation of the product range of the enterprise, etc.

Based on the characteristics of each enterprise and its activities, managers of management services can apply the following areas of cost optimization, which were developed by us as a result of a comprehensive analysis of the topic of costs.

The first is the establishment of the cost management system itself: the reduction of the management staff and the organization of detailed cost accounting. In the cost management mechanism, economic principles are implemented through the organizational system. Organization is the most important element of effective cost management. It establishes how the company manages costs, i.e. who does it, in what timeframe, using what information and documents, in what ways. The places of occurrence of expenses, norms of expenses and the centers of responsibility for their observance are defined. A hierarchical system of linear and functional relationships of managers and specialists involved in cost management is being developed, which should be compatible with the organizational and production structure of the enterprise. The organization and detailing of costs will allow professionals to clearly identify where exactly you can reduce costs, and where there are unnecessary overspending.

If costs are considered as a tool to increase profits, it is necessary to analyze in order to optimize each of their parts. One of the important parts of the cost is the cost of labor.

Thus, the second direction is the optimization of labor costs. Wages are one of the elements of costs, has its own structure and forms the payroll of full-time employees.

Reserves to reduce labor costs are to increase productivity by automating trade processes, improving the organization of trade and labor, as well as improving the use of working time by eliminating possible losses, increasing the level of discipline and responsibility of employees.

Improving productivity can be achieved by using the following proposals:

- mechanization and automation of production, application of efficient equipment and new efficient developments, replacement or modernization of old equipment;
- introduction of economic management methods, improvement of pricing, financial and credit mechanism, etc .;
- optimization of the number of employees of certain professions, training of employees, building an effective system of material incentives.

To increase labor productivity, it is important to organize it - the preparation of the workplace, ensuring proper material and technical base, the rational organization of working time.

Optimization also motivates staff. Thus, if wages are paid not at a fixed rate, but partly as a percentage of sales or bonuses for achieving certain results, it will motivate employees, increase profitability and reduce labor costs in case of non-compliance with a specific implementation plan or tasks.

However, optimization through motivation can have negative side effects when management encourages employees to act outside the best interests of the enterprise. In this case, the control system leads to a lack of coincidence of goals. Conversely, when management motivates the desired behavior for the organization, in this case, experts describe this condition as a situation in which the goals of the organization and the goals of employees coincide.

Results management can cause disagreement goals, especially if the organization's desired results can only be partially determined. Then employees will focus their efforts only on those areas of work that are monitored by the management system, no matter how desirable for the purposes of the organization as a whole. In other words, they will primarily try to improve their own performance, regardless of how well their actions work to achieve common organizational goals. In addition, employees may ignore some important areas if these areas are not tracked by the management system [2].

Another important part of the costs is the material costs included in the cost of production. The process of purchasing raw materials must also be orderly and organized. The next direction of cost optimization is to review the company's procurement process. It is necessary to hold a tender among suppliers and choose the most favorable terms for the purchase of raw materials. It is necessary to conduct a thorough analysis of logistics channels to identify the current state of stocks and identify ways to reduce them. In many cases, this can be achieved by reducing the number of warehouses or their partial combination.

It is also necessary to improve the work of the logistics department (reducing the number of items and the distance of transportation). With a rational organization of the supply process will reduce the number of stocks, including the volume of finished but not sold products. The vacated warehouses can be rented out, thus thawing part of the cash resources.

Revision of the material and technical base of the enterprise can also be considered in the direction of cost optimization: the introduction of new, advanced and innovative machinery and equipment, the use of new raw materials, automation and mechanization of production equipment.

But this direction is quite ambiguous and far-sighted. The cost management service should analyze the economic benefits of purchasing new or upgrading old equipment. The analytical information provided with calculations for the purchase or upgrade of equipment will help managers make the right decisions to incur such costs.

The next direction is to study and eliminate the causes of marriage. Maintaining analytical accounting of marriage, its classification will facilitate its timely detection, elimination and prevention. This will reduce costs by reducing losses from marriage and other unproductive costs, which will reduce and more efficient use of industrial waste.

Another measure to reduce costs can be considered the introduction of the concept of value chain in the enterprise. Establishing close relationships with suppliers and customers. The value chain is a coordinated set of activities that create

value for the company, from the source of raw materials for suppliers of the company to the finished product delivered to the end customer, including customer service. At the same time, attention is focused not only on the processes taking place within the enterprise, but also much more broadly, going beyond a specific enterprise. The company can get a significant advantage by interfering in the work of suppliers and gaining certain cost benefits. On the other hand, the company can improve its competitive advantage by focusing on customer service.

Analyzing value chains, the company can increase its competitiveness by identifying hidden reserves and further optimization of certain activities.

Reducing and optimizing costs will always remain a pressing issue in any business. A rationally functioning cost management system, as a result of which decisions are made aimed at improving the efficiency of production and economic activities, gaining competitive advantage and increasing the profitability of the enterprise, will contribute to its success and prosperity.

Summarizing the above, it should be noted that one of the main means of obtaining more profit and achieving competitive advantage is not just reducing, but optimizing costs.

A comprehensive analysis of the costs of the enterprise determines that in the course of economic activity of the enterprise to achieve competitive advantage can be achieved through the use of the following areas of optimization:

- improving the cost management system;
- optimization of labor costs and increase productivity;
- improving the procurement process;
- organization of the logistics department;
- purchase of new or modernization of old equipment;
- studying the causes of marriage;
- implementation of the concept of value chain.

Enterprise cost management is a whole independent system and it can work more efficiently when available resources are used economically and efficiently. In this case, the system can provide an active and systematic search for opportunities to reduce costs, and thus ensure the development of the enterprise and increase its competitiveness.

For the successful operation of the enterprise, managers must pay more attention to the establishment of a cost management system, apply new measures and areas of cost optimization, it is necessary to study and apply the experience of foreign companies.

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