

The Impact of Strategic Cost Management Techniques on Reducing Costs and Achieving Competitive Advantage

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ABSTRACT

The study aimed to demonstrate the importance of using strategic cost management tools in developing and improving production processes in order to achieve competitive advantages for industrial companies, especially given the changes brought about by the new economic environment. Among the most important findings of the study: Strategic cost management in its various Pathways play an important role in providing industrial companies with the information necessary to implement strategic competitive measures, applying strategic cost management techniques, and the spread of the automation phenomenon. The existence of special training programs to qualify and train workers.

Keywords: *strategic cost management techniques; cost reduction; competitive advantage*

INTRODUCTION

The increasing competitive environment that accompanied the emergence of the modern manufacturing environment helped bring about a qualitative change in Use strategic costing methods and tools, so that focusing on the strategic vision of cost management became necessary achieving a competitive advantage in the world in the long term, while financial reports and management focus only on Short-term financial results, the traditional cost accounting model is no longer able to provide sufficient information for decision-making and provides distorted or misleading information that leads to making decisions that lead to negative results, the main result of which is the weakening of the company's competitive position. This led to the emergence of a cost management approach that provides appropriate information for making decisions that support the competitiveness of the factory. Consequently, the term "strategy" was applied to cost management, an adjective that refers to management and not costs, and cost management became strategic, which naturally led to the expansion and growth of responsibility due to its critical importance. Cost accountants contribute to the success of facility management.

RESEARCH METHODOLOGY

First: The Problem of the Study

Management's lack of interest in cost management tools and non-adoption of their methods increases the possibility of a shrinkage of the company's market share and the emergence of intense competition. Therefore, the fundamental problem of business management is that the concepts, Cost management methods and tools are not seen as the primary task for the objectives of business management, which was also the motivation for the research in this article that was developed and followed up recently. Cost management methods, studying them, and choosing the best methods will help improve the company's competitive advantage and avoid many future problems.

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Second: Research objectives:

The research aims to:

1. Learn more about the concept of strategic costs and the concept of cleaner production.
2. Explain the cognitive basis for the role of strategic cost management techniques in reducing costs.

Third: Research importance:

the findings can contribute to a better understanding of the topic and potentially lead to advancements in the field it brings together the disciplines of accounting and management and sheds light on important variables in accounting and administrative literature and thought. This is the current trend of scientific research that attempts to create integration between different sciences. The importance of providing solutions for the management of economic entities is also evident through the comprehensive vision provided by the research on the interrelated and overlapping dimensions and systems in the process of building and selecting a more strategic system of cost management techniques and Developing the capabilities of economic entities to face current and future challenges is of utmost importance.

Fourth: Research hypothesis:

The research is based on a main hypothesis:

(There is a significant effect of using Strategic cost management techniques on achieving competitive advantage in light of cost reduction.)

The main hypothesis can be divided into two sub-hypotheses:

1. The first sub-hypothesis: There is a significant effect strategic cost techniques to achieve competitive advantage.
2. The second sub-hypothesis: the presence of significance effect for cost reduction on strategic cost techniques.

Fifth: Previous studies:

1. Duçi's 2021 work titled "The Relationship between Management Accounting, Strategic Management Accounting and Strategic cost management" Strategic cost management, management accounting, and strategic management accounting are all interconnected concepts, and this research aims to explain how they work. Accounting mostly concentrates on production, whereas SMA has an outward focus and a competitive orientation, according to the research. Connecting the phases to technology is one of the most crucial suggestions. As a result, SMA is fundamental to strategic management; to solve the issue more effectively, it is essential that management approaches and SMA interact with one another.

2. "The Integration between Strategic cost management Techniques to Improve the Performance of Iraqi Manufacturing Companies" (Al-Naser & Mohamed, 2017). From four different angles—customer satisfaction, financial health, innovation and learning, and internal business process—this study intends to suggest that TQM is an effective method for strategic costing and management accounting. Research found that with the right application of total quality management technology and the capacity to compete appropriately, Iraq's manufacturing sector can achieve institutional performance from a different perspective than BSC. There has to be a single technology in the sector that incorporates BSC dimensions and applies complete quality management. Titled "Research on Strategic cost management in Modern Enterprises," it was published in 2015 by LIU. Successful strategic management implementation is the focus of this research, and cutting-edge strategic methodologies applied to contemporary business problems will shed light on cost management. A key finding from the study is that long-term competitive advantage may be attained by strategic management by analyzing cost behavior and structure, gaining a thorough grasp of the situation, and then continuously improving the process. Through a thorough understanding, monitoring, and improvement of the level of the company's cost structure and cost behavior, as well as the pursuit of long-term competitive advantages, one of the primary recommendations is to analyze costs and cost information in strategic management and related factors. This will influence strategies in tandem. The moment has come to supply strategic management with information services.

"Strategic cost management as a recession survival tool in the Nigerian Manufacturing and Financial Service Industries" is the title of Michael's 2013 report. This study aims to assess how well Nigerian organizations, particularly those in the industrial and financial services industries, apply strategic cost management approaches in practice. The study's results show that supply chain management strategies work and may be used in Nigeria. The industrial sector, however, makes greater use of it than the financial services sector. More study on supply chain management in non-manufacturing businesses should be conducted to show how management accounting principles may work in other industries and nations. This would be one of the main recommendations. "Strategic cost management - suggested framework for 21st Century" was the title of the 2011 publication by Kumar and Nagpal. The overarching goal of this research is to show that strategic cost management is all about how management makes use of cost data, rather than just focusing on continuous cost reduction and control. The present theoretical method ignores some of the people's contributions, according to one of the study's key findings. Consequently, strategic cost management zeroes attention on specifics. One important suggestion is that cost management should take into account not just expenses but also revenue, productivity, customer value, and the company's strategic position all at once.

THE THEORETICAL ASPECT OF RESEARCH

First: Definition of strategic cost management

Strategic cost management Cost accounting is a systematic process of identifying, collecting, evaluating, interpreting and communicating cost data that is of value to both internal and external stakeholders who want to understand how The company uses its resources to achieve its goals. The Institute of Cost and Management Accountants, 2016:170) Anderson (2007) Cost management refers to strategic cost accounting, which is the primary goal of the company. The focus is on aligning the cost of the product or service with the company's strategy to improve strategic performance. (Duçi, 2021:378). Cost information is used to manage strategic costs in organizations to address various stages of the strategic management cycle, including strategy formulation, communication, implementation, and monitoring. (Janjić et al., 2017:446).

Second: Objectives of strategic cost management

Determine the following objectives for strategic cost management (Elkelety (2006:72) and McNair (2000:28)

1. Enhancing the organization's strategic position by creating and maintaining a sustainable competitive advantage that supports competitive priority in light of the organization's approved competitive strategy.
2. Increasing the organization's revenues through increasing sales volume, which results from customers feeling that the organization is working to maximize the value provided by the organization's overall product and thus maximizing the value that the customer obtains from consuming the organization's product.
3. Managing the costs of the organization's activities and products in order to achieve the ability to optimally use the economic resources available to the organization and improve the ability to achieve economic efficiency of the organization's performance.
4. Maximizing the organization's profitability by achieving the goals of rationalizing cost expenses and increasing the organization's income, which achieves owners' satisfaction and supports the organization's economic position in the business environment in which the organization carries out its activities.
5. Increasing the organization's productivity by reducing waste, damage, and reprocessing to achieve efficient production and effective organization performance.
6. Maximize customer satisfaction by maximizing customer value and meeting their needs with fewer sacrifices than competitors require.

Third: Strategic cost management techniques:

In the field of strategic cost management, there are many techniques for measuring costs, performance and quality that can be used individually or in an integrated manner to meet the challenges of the modern environment and achieve a competitive advantage for the company. Saleh, 2014 (29) points out that strategic management techniques rely on an integrated approach that contains many effective techniques and accurate information that the company's senior management needs to make rational management decisions. Management also works to reduce product costs and

enhance its competitive ability by providing high-quality products. In a way that meets customers' desires and renewable requirements, As for (Issa and Mohsen), they believe that strategic cost management techniques depend on analyzing costs in light The company's strategy aims to improve the decision-making process, which is considered a comprehensive approach that ensures support for the company's competitive advantage, taking into account both continuous cost reduction and competition. (Issa and Mohsen, 2020:667)

Fourth: The importance of strategic cost management techniques:

Strategic cost management techniques are It is considered one of the new trends in the field of strategic direction, as they provide information that helps management achieve an increase in profits and enhance the competitive position of economic entities in the long term, in addition to information that supports the management of economic costs that entities need to make appropriate decisions, to enhance relationships with customers. Achieving their satisfaction, in addition to reducing costs. Strategic cost management techniques include A group of technologies that can be used individually or in combination to support the management process and enhance competitiveness by tracking costs, quality, flexibility and time throughout the product life cycle and analyzing Internal and external elements economic environment of entities to provide products or services with specifications and characteristics that meet customer needs. This reflects the value for them from their point of view, with the aim of improving the strategic position while creating a continuous and continuous competitive advantage in achieving the strategic goals of economic entities. (Ibrahim, 2013:231).

Fifth: Types of strategic cost management techniques

The following table shows main techniques for strategic cost management, all of which are divided into four groups, and each group includes three techniques that are related to each other or work in the same field:

Technologies		Abbreviations	the details
The first group	Just-in-time production technology	JIT	These techniques suggest lower inventory and quality in production systems and processes to achieve greater market share and necessary accounting procedures
	Total quality management technology	TQM	
	Bounce flash technology	BFC	
the second group	Activity based management technique	ABM	These techniques indicate accurate costs and budgets and thus more accurate management decisions
	Activity-based costing technique	ABC	
	Activity-based budgeting technique	ABB	
The third group	Target costing technique	TC	These techniques refer to reducing costs at the design stage and at other stages within the value chain in order to achieve competitive advantages in terms of price, quality and time.
	Value engineering technology	VE	
	Continuous improvement technology	CI	
Fourth group	Theory of constraints technique	TC	These techniques refer to reducing costs at the design stage and at Further stages in the value chain to achieve competitive advantages in terms of price, quality and time.
	Comparative measurement technique	BM	
	Balanced scorecard technique	BSC	

Source: Issa, Sarwan, Karim, 2020, System of Strategic cost management Techniques in Administrative Thought, Qayzanst Scientific Journal, a peer-reviewed scientific journal published by the Lebanese-French University - Erbil, Kurdistan, Iraq, Volume (5) Issue (2).

Sixth: The accountant's tasks in relation to strategic cost direction

Accountants are no longer seen as providers of information but as important influencers in the strategic management process because strategic accountants focus on the creation of information, starting with identifying and describing problems and ending with the analysis of the necessary information. Decide. Industry structure, from here on the focus is on the competitive advantages of economic entities as the main determinant of expected profits. This competitive

position is identified and measured in the form of accounting data and disclosed in accounting reports. (Issa, 2020: 675)

Seventh: Reducing costs (concept and definition)

Costs are considered one of the requirements for implementing activities and represent the essence of its activity. It is considered one of the factors and one of the indicators to evaluate the performance of activities and thus the performance of the entire unit to achieve stability and continuity. The success of the unit is achieved through achieving competitive advantage, and the success of the units depends on their ability to focus on reducing costs and increasing their profits to enhance their competitive position (Radhakrishana & Salvan, 2017:145), as Drury defined it as reducing costs by ensuring that the facility maintains its competitive advantages by reducing prices. The product or service while maintaining quality and increasing customer satisfaction and value through increased sales and profits, providing added value to shareholders. (Drury, 2018; 559) As Akeem defined it, it is the planned approach that consists of using techniques and means that are more acceptable and efficient than previous standards and techniques to control operating costs and ensure that costs do not exceed a certain amount, by avoiding wasting time and achieving an increase in Production. (Akeem, 2017:19). From the above, the definition of cost reduction can be the approach adopted by the unit to manage its costs using one Cost management tools to reduce costs through the optimal use of cost elements and increase the productivity of the units.

Eighth: The importance of reducing costs

The importance of cost reduction lies in considering it part of the entity's strategy for reasons that can be summarized as follows: (Pierce 2014:1-2)

Firstly, in the face of intense competition from the market and the new producers working on it, prices must be reduced and an appropriate level of profits must be maintained by taking the necessary measures to implement the appropriate strategy, especially in a period of economic recession.

Secondly, the entity strives to achieve growth in profits, which in turn is the source of the growth of its infrastructure, and to meet the annual increase in the benefit of working human resources.

From the above it is clear that the importance of reducing costs lies in the continuity and sustainability of the unit's activities, as well as in expanding its economic activities, starting from the optimal use of production elements to confronting competitors and increasing profits and customers. Satisfaction to increase the provision of high quality products at the lowest prices.

Ninth: Principles of cost reduction

It requires units to consider the following basic principles to reduce costs: (Moussa, 2012:64)

1. Focus on the elements that cause high costs and compare them with other elements.
2. Maintaining product quality and ensuring that cost reduction does not lead to a deterioration in product quality.
3. The reduction does not lead to making incorrect strategic decisions.
4. Avoid weakening employee morale because this will negatively affect productivity.

Tenth: Competitive advantage and strategic cost management.

Competitive advantage and priority: Today's business environment is characterized by intense competition between companies in offering new products and providing customers with various options, which has led to customer tastes constantly changing and differing and striving to have the most advanced needs to meet their needs and desires, which has made companies strive to meet and fulfill these requirements. By providing cost-effective and high-quality products and obtaining a competitive space over others, which is called competitive advantage, and this is defined as the organization's possession of capabilities, characteristics, attributes, skills, abilities and information that give it internal strength through the response of these capabilities to customers' values and needs for goods and services over competitors. (Al-Barwari, 2001: 75) Competitive advantage also means the organization's exploitation of internal

power centers in performing its own activities, so that it achieves value that other competitors do not achieve in performing their activities. (Aziz, 2006: 115)

There are those who define it as the organization's ability to meet the needs of the consumer or the value he wants to obtain from the product or service (Al-Ali, 2000:40). From the previous definitions, we understand that competitive advantage aims to push the organization to pay attention and focus on achieving customer satisfaction, and this does not happen through quantity. A large amount of resources, but rather through the ability to use these resources with the technology optimized for use. This enables the organization to produce a superior product or provide a service that would not have been possible otherwise (Al-Waeli, 2005:6). In addition, the organization gains a competitive advantage when it is able to provide customers with value that exceeds what competitors offer. This value is represented by the amount of advantages that the organization provides to its customers in the form of better satisfaction and greater accuracy in meeting desires and needs, at low costs and with high quality. (Basile, 2001: 128)

Eleventh: Competitive advantage has several perspectives or dimensions and is called competitive precedence.

In order for businesses to be competitive, there are a number of essential inputs and requirements, such as:

1. The environment: By providing eco-friendly products, businesses may differentiate themselves from the competition and increase their chances of success. As stated by Al-Sayyed Khalil (2018), on page 120.
2. Adaptability: meeting the demands and wants of our consumers through the timely delivery of a variety of products and the capacity to enhance current offerings and streamline processes to create new items. Source: Al-Najjar (2016), 119.
3. Creativity: coming up with ideas, decisions, and actions that are different yet still predictable Citation: Urban ova (2013), 83.
4. Quality: the capacity to offer faultless products and services at the most affordable prices. As a representation of the products' and services' general traits and qualities, it guarantees that the business will stand out in the current market competition. (Kummar, Gupta, and Garg, 2014:81).
5. Price: One of the most important ways to get an edge over the competition is to lower manufacturing costs. By doing so, we can both satisfy our consumers' demands and accomplish our long-term aim of lowering prices. (On page 69 of the 2019 edition, see Alsawalhah and Almarshad).
6. Differentiation: this strategy entails coming up with one-of-a-kind goods and services that offer more value to clients. The goal is to get people to spend a higher price for your product or service by drawing attention to its distinctive features that meet their needs. That is according to Al-Najjar (2016), page 120.

Companies strive to offer Products or services that are unique and different from other companies, which provide superiority in various products or services, thus gaining customer loyalty. Therefore, economic agents use the latest technologies in their products or change production according to customer needs, as a form of differentiation, giving them Competitive advantage and thus achieving demand characterized by growth and profitability.

THE PRACTICAL SIDE

In order to prove the link and effect between strategic cost management techniques in reducing costs and achieving competitive advantages, it is necessary to verify the validity of the hypotheses that confirm the existence of a link and a significant effect of strategic cost management techniques in reducing costs and achieving competitive advantages. Achieving competitive advantages in the company under study.

Description of the research sample

First: The General Company for Gas Filling and Services / Cylinder Manufacturing Plant in Kut

The public sector institution is considered one of the important pillars of the national economy through its effective contribution to creating conditions for further development of the national industry. It also plays an important role in establishing and enhancing competition between public sector institutions. And its role in meeting the needs of the local market for products.

Second: Statistical analysis and hypothesis testing

Below is a description of the application of these statistical methods to the study variables. The researcher conducted a reliability test to ensure the stability of the answers and conducted internal consistency to ensure that the statements reflect the axes and dimensions to which they belong. He described the data in terms of central tendency and dispersion, and finally conducted statistical analysis to test the hypotheses And gain results.

- 1- Study population: consists of managers, decision-makers, and some employees specialized in the field of cost in the field of gas cylinder production in the Iraqi Ministry of Oil.
- 2- Study sample: The research sample included 42 survey lists distributed among senior, middle and executive officials in the field of gas cylinder production in the Iraqi Ministry of Oil for the year 2023.

Third/ Results of the study

Testing the main hypothesis: The use of Strategic cost management techniques has a significant impact on achieving competitive advantage in light of cost reduction.

This hypothesis was tested through Multiple The regression analysis and results are as follows:

Table (1): Multiple regression results to test the effect of strategic cost techniques on achieving competitive advantage in light of cost reduction

Independent variables	Description of variables	Dependent variable: (Y) achieving competitive advantage			
		Transactions	Parameter value	value (T) Calculated	Moral level
Gradient constant		α	1.211	2.142	0.040
(X1)	Strategic cost management techniques	β 1	0.459	2.905	0.006
(X2)	Reduce costs	β 2	0.211	2.230	0.031
(F)	11.599	Sig.		0.000	
R square		0.299			

The table shows that these are the results of multiple regression are that after estimating the regression model parameters, the regression equation took the following form:

$$(Y) = 1.211 + 0.459 * (X1) + 0.211 * (X2) + \varepsilon$$

$$(T) 2.142, 2.905, 2.230$$

$$\text{Sig. } 0.040, 0.006, 0.031$$

$$(F) = 11.599 \text{ Sig. } 0.000$$

$$R \text{ square} = 0.299$$

Where (X1) strategic cost techniques, (X2) cost reduction, (Y) achieving competitive advantage, ε random error.

The form shows the following:

There is a positive and The important relationship between the variable (X1) “strategic cost techniques” as an independent variable and achieving competitive advantage as a dependent variable, where the value of the regression coefficient reached 0.459, and the value (T) From retreating where the significance The laboratories have been accessed 2.905 at the significance level of 0.006, which indicates the significance of the relationship at the significance level. Significance of 0.01, meaning that Strategic cost management techniques have a positive impact on achieving competitive advantage.

There is a direct The important relationship between the variable (X2) cost reduction as an independent variable and achieving competitive advantage as a dependent variable, where the value of the regression coefficient is 0.211 and the value (T) of the regression coefficient was 2.230 On the level of importance 0.031, This shows the importance the

relationship at a significance level of 0.05, which means that reducing Costs have a positive the effect on achieving Competitive. advantage-.

Testing the significance of the model: The importance of models as a whole was proven, as the (F) value reached 11.599 at the significance level of 0.000, which confirms its importance at the significance level of 0.01.

Significance test of the estimated parameters: The importance of the estimated parameters was proven with a value (T) of the variable 0.031, which confirms its importance at a significance level of 0.05.

From the above, we conclude that we accept the main hypothesis of the researcher

Testing sub-hypotheses: The sub-hypothesis was tested through simple regression analysis as follows:

Testing the first sub-hypothesis: Strategic costing methods have a significant impact on achieving competitive advantages.

To test this hypothesis, simple correlation and regression methods were used test the relationship between strategic costing and development techniques to achieve competitive advantage. The following results were achieved:

Table (2): Correlation and simple regression results to test The relationship between strategic cost techniques and achieving competitive advantage

Independent variable (X1) Strategic cost techniques		Dependent variable (Y) Achieving competitive advantage				
Correlation coefficient (R)	Ability Interpretation (R2)	Significance test		Testing the significance of the estimated parameters		
		(F) Calculated	Sample Sig. Moral	value Factories	(T) Calculated	Sig. Moral
(*)0.490	0.240	16.969	0.000	1.497 α	2.380	0.027
				0.621 β	4.124	0.000

(*)Significant at a significance level of 0.01.

It is clear from the table that:

- Correlation results showed a direct and significant relationship between Strategic cost management techniques (X1) and developing competitive advantage (Y), where the value of R = 0.490 at the significance level of 0.000, meaning that the relationship Important at the level of importance of 0.000. Level 0.01.
- After estimating the parameters of the regression model, The regression equation can be formulated as follows:

$$(Y)=1.497+0.621*(X1) + \varepsilon$$

Where: (Y) developing competitive advantage (the dependent variable), (X1) strategic cost techniques (the variable independent), ε is the random error.

From the value of β (0.621), which indicates the strength or degree of influence, it is clear that an improvement of one degree in strategic cost techniques is followed by an improvement of 0.621 degrees in development to achieve competitive advantage.

Testing the significance of the model: From the (F) test, which deals with testing the significance of the model, it turns out This value (F) = 16.969 at a significance level of 0.000, It is the meaning of the model that confirms the relationship. At a significance level of 0.01.

Testing the importance of the estimated parameters: From the (T) test, which deals with the importance of the estimated parameters, it turns out that the value (T) of the regression constant is 2.380 at a significance level of 0.027, which gives significance to the estimated variables. The regression is constant At a significance. level of 0.05 and a value (T) of the variable coefficient (X1) is the target cost. It reached 4.124 at a significance level of 0.000, Which confirms the importance of the coefficient of the independent variable at a significance level 0.01.

From the above, we conclude that the first sub-hypothesis is accepted.

Testing the second- sub-hypothesis-: Reducing costs has a significant impact on achieving competitive advantages.

To test this hypothesis, simple correlation and regression methods were used relationship between cost reduction and achieving competitive advantage. The following results were achieved:

Table (3): Correlation and simple regression results to test the relationship between cost reduction and achieving competitive advantage

Independent variable (X2) Cost reduction				Dependent variable (Y) Achieving competitive advantage		
Correlation coefficient (R)	Ability Interpretation (R2)	Significance test		Testing the significance of the estimated parameters		
		(F) Calculated	Sample Sig. Moral	value Factories	(T) Calculated	Sig. Moral
(*)0.442	0.196	13.06	0.000	α 2.808	7.844	0.000
				β 0.220	3.612	0.001

(*)Significant at 0.01 level.

“It is clear from- the table, that”:

The correlation results, showed that this was the case is a direct and significant relationship between reducing costs (X2) and achieving competitive advantage (Y), where the value of $R = 0.442$ at the significance level of 0.000, which means that the relationship is Important at the level of importance of 0.01.

After estimating the parameters of the regression model, , The regression equation can be formulated as follows:

$$(Y)=2.808+0.220*(X2) + \epsilon$$

Where: (Y) achieving competitive advantage (the dependent variable), (X2) reducing costs (the independent--variable), ϵ It's random, it's wrong.

This is evident from the value, of β (0.220), which indicates the strength or degree of influence, which means that an improvement in reducing costs by one degree is followed by an improvement in development and achieving competitive advantage by 0.220 degrees.

Testing the significance of the model: From the (F) test, which deals with testing the significance of the model, it turns out that the, value- of (F) = 13.06 at the significance level of 0.000, which is the significance of the model confirming the relationship. At a significance level of 0.01.

Testing the importance of the estimated parameters: From the (T) test, which deals with the importance of the estimated parameters, it turns out that the value (T) of the regression constant is 7.803 at a significance level of 0.000, which gives significance to the estimated variables. The regression is fixed At a significance- level of 0.01 and a value, (T) of the variable coefficient (X2) minimizes the cost. It reached 3.612 at a significance level of 0.001, which confirms the importance of the coefficient of the independent-variable is at the level of importance 0.01.

From the above explanation, we conclude that we accept the second sub-hypothesis.

Testing the third sub- -hypothesis: There, is a significant effect of cost reduction on strategic cost techniques.

To test this hypothesis, a simple correlation and regression method was used to test the relationship between cost reduction and strategic cost techniques, and the following results were obtained:

Table (4): Correlation and simple regression results to test the relationship between cost reduction and strategic cost techniques

Independent variable (X1) Strategic cost techniques	Dependent variable (X2) Cost reduction
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Correlation coefficient (R)	Ability Interpretation (R2)	Significance test		Testing the significance of the estimated parameters		
		(F) Calculated	Sample Sig. Moral	value Factories	(T) Calculated	Sig. Moral
(*) 0.430	0.186	12.164	0.001	α 3.219	11.351	0.000
				β 0.246	3.491	0.001

(*)Significant at 0.01 level.

It is clear from the table that:

The correlation results showed There is a direct and significant relationship between cost reduction (X2) and strategic cost methods (X1), where the value of R = 0.430 at a significance level of 0.000, which means that the relationship is significant at a significance level. From 0,01.

After estimating the parameters of the regression model, the regression equation can be formulated as follows:

$$(X1)=3.219+0.246*(X2) + \varepsilon$$

Where: (X2) cost reduction (dependent variable), (X1) strategic cost techniques (independent variable), ε random error.

This is evident from the value of β (0.246) which indicates the strength or degree of impact, i.e. an improvement of one degree in cost reduction is followed by an improvement of 0.246 degrees in strategic cost techniques.

Testing the significance of the model: From the (F) test, which deals with testing the significance of the model, it turns out That value (F) = 12.164 at a significance level of 0.000, which is the significance the model confirming the relationship. At a significance level of 0.01.

Testing the importance of the estimated parameters: From the (T) test, which deals with the importance of the estimated parameters, it turns out that the value (T) of the regression constant is 11.351 at a significance level of 0.000, which gives significance to the estimated variables. The regression is fixed at a significance level of 0.01 and the value (T) of the variable coefficient (X1) is the cost techniques. The strategy achieved 3.491 at a significance level of 0.000, which It confirms the importance the coefficient of independent variable at the significance level 0.01.

From the above explanation, we conclude that we accept the researchers' third sub-hypothesis.

From the results of the tables above, it is clear that the combination of these modern indicators has a significant impact on strategic cost management techniques. This indicates that the response of each organization is positive in all data, and that there is a variable effect as well. About strategic cost management techniques to achieve competitive advantage, and this proves the validity of the research hypothesis (the use of strategic cost management techniques has a significant impact on achieving competitive advantage in terms of cost reduction).

CONCLUSIONS

1. Strategic cost management techniques are a modern approach to pricing and cost reduction. It begins outside the business entity, i.e. adequate attention to the customer.
2. Strategic cost management techniques aim to reduce cost and develop the current product according to customer requirements, which helps the business entity achieve a competitive advantage that allows it to compete and survive in the market.
3. Lack of any application of Strategic cost management techniques in the company, Enterprise is still using the traditional method of pricing, which has proven to be inappropriate, especially after the lack of protection for national products and the flooding of the market with products from various origins at competitive prices.
4. Failure to apply Strategic cost management techniques in the company. The company is still using the traditional pricing method, which has proven unsuitable, especially after the lack of protection for local products and the flooding of the market with products from various origins at competitive prices.

5. Competitive advantage is a complex concept that requires understanding its essence, confidence in the capabilities it provides in the competitive field, and making good use of resources and competencies and combining them in an effective way to create decisive competitive advantages.

RECOMMENDATIONS

1. Striving to use modern technologies and cost-reduction methods that are compatible with the characteristics of the modern environment and In a manner consistent with the nature of the company's work and its cost structure, such as: B- The target cost method due to its effective role in keeping pace with developments.
2. "The results showed the importance of changes in the modern manufacturing environment and their impact on competition". Therefore, these changes must be taken into account and it is necessary to link strategic cost techniques to the factory strategy.
3. Study the deficiencies in the cost systems currently used and replace them with modern systems such as value engineering, value chains, and others to face competition in the markets.
4. Moving from the traditional method to adopting Strategic cost management techniques, as these techniques start from competitors' prices in the market and thus focus on prices and costs.
5. The need to help the government provide facilities for industrial companies to apply Strategic cost management techniques to keep pace with developments in modern manufacturing systems and their applications and to prepare to compete with international companies.

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