**THE EFFECT OF COST MANAGEMENT STRATEGIES ON FINANCIAL PERFORMANCE OF SOME SELECTED MERCHANDISE FIRMS IN MOGADISHU SOMALIA.**

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* 1. **ABSTRACT**

*The purpose of this study was to investigate the effect of cost management strategies on financial performance of merchandise firms in Mogadishu Somalia. The objectives of the study included, to describe the effect of cost management on financial performance of merchandise firms in Mogadishu Somalia. to examine the effect of labor cost management on financial performance of merchandise firms in Mogadishu Somalia. to determine the effect of sales and distribution cost on financial performance of merchandise firms in Mogadishu Somalia. The study was carried out using descriptive research design. The target population is 80 managers and employees. The sample size comprised of 67 respondents those came from our specific target groups especially business owners, sales managers and other employees. Data was collected by use of questionnaires and was analyzed by use of descriptive statistics and Pearson Product Moment Correlation Coefficient. The findings of this study reveal that majority of merchandise firms in Mogadishu has clear organizational structure and has cost management strategies. And also, there is clear separation of duties. And also, this study found out there is negative relationship between cost management strategies and financial performance of merchandise firms. This study suggests that the owners and managers of merchandise firms should develop an effective professional competency system, such as alternative ways of following inventory cost, and labor cost that makes professional competency simple and flexible, in order to improve merchandise firms' financial performance.*

**Keywords**: Inventory cost, financial performance, labor cost, cost management strategies, merchandise firms.

* 1. **INTRODUCTION**

historical context Fink handled and organized the expenditures in a manner that may be compared to ABC's in the 1860s. Only specific service activities, like the amount of freight moved and the number of railway miles traveled, for each category to differ. Engineering managers like F. Taylor and Emerson created new cost management techniques in the late 19th and early 20th centuries, largely to evaluate and manage the financial and physical efficacy of processes (Johnson and Kaplan. 1991 :51-2). Instead, then assessing the company's overall profitability, their goal was to gauge the effectiveness of the processes. By 1910, the cost systems already in place supplied data useful for making a variety of judgments about productivity and product differentiation. To allocate costs to particular items and product lines, these methods were created. In contrast to accountants or academics, engineers operating in factories were the ones who originated these methods. This may help to explain why businesses embraced those novel cost accounting and management systems so quickly.

The first contemporary cost accounting textbooks with a managerial focus were released by Shillinglaw and Horngren in 1961 and 1962, respectively (Anthony. 1989). According to HorngFen (1989:22–3), between 1961–1970, 54% of the total chapters in cost management textbooks focused on cost control and management decision making, up from 27% in 1945–1950.

Inventory valuation, which made up 73% of the textbook chapters from 1945 to 1950, fell to 46% within the same time periods. This demonstrates a growing trend towards employing cost accounting data for decision-making as opposed to just inventory valuation and financial reporting (Symonds, 2010). The status of cost and management accounting at the time was first brought up by certain scholars in the 1980s. Many publications by Kaplan that criticised conventional cost accounting methods can be found (e.g., 1984a, 1984b, 1986b; Cooper and Kaplan, 1987). As they were outdated and unable to represent the needs of the new production environments, he asserted that these systems 1 skewed cost information. Johnson and Kaplan (1987) released Relevance Lost: The Loss of Relevance in the middle of the 1980s.

In The Rise and Fall of Management Accounting, they discussed how outdated current cost and management accounting systems are (Morgan & Nei l, 2012). In an essay titled The Hidden Factory (1985), two further researchers, J.G. Miller and T.E. Vollmann, claimed that the automation of the electronics and mechanical equipment industries resulted in an increase in overhead expenses of more than 1%. Additionally, they claimed that a significant amount of the cumulative overhead costs were actually caused by transactions that occurred in a plant. They concluded that since transactions led to the accumulation of overhead costs, controlling the transactions was the key to minimizing overhead expenses. Then they established "transaction-based costing," in which the four groupings below are used to categorize the major transactions that could take place in an electronic manufacturing factory (Miller and Vollmann, 1985:1 45- 146).

Theoretical perspective Resource Based View Theory Pearce II and Robinson (2011) define the resource-based view (RBV) as a method of analyzing and identifying a firm's strategic advantages based on examining its distinct combination of assets, skills, capabilities and intangibles as an organization. This theory views the firm-specific factors and their effect on performance. (Grant,1991), Views the firm as a bundle of resources which are combined to create organizational capabilities which it can use to earn above average prolitability. Finns develop competencies from these resources and when they are well developed, these become the source of the firm's competitive advantage. Penrose (1959) explains the importance of resources including organizational processes, assets, capabilities, information and knowledge controlled by the firm. (Daft 1995) these resources Improve eniciency and effectiveness that will lead to higher financial performance of firms (Grant,] 991). The desire to understand the effect of firm's characteristics on financial performance has been so controversial in the research field. One side argues that the firm financial performance is inlluenced by structural characteristics of the industry (Bain, 1954-1959) and on the other hand others argue that it is inlluenced by firm specific resources. Recently much focus has been given tu linn's level characteristics as opposed to the industry level characteristics since it forms the basis upon which the firms compete.

Cost management strategies will be the main focus of this study because they are structural characteristics of organisations. The resource-based view is the idea that explains how firm attributes that are internal to the organisation affect financial performance (RBV). In this study, we'll examine cost management tactics and how they affect manufacturing organisations' financial results. However, the usage of RVB is criticised for focusing only on one resource type, namely intangible assets within a specific industry and analysing its impact on business performance (Kapelko, 2006).

Conceptual analysis Cost management, sometimes known as cost reducing, is a popular strategy used by business managers to address declining sustainable profitability (Anderson, 2007). The most crucial managerial tools are cost management measures, which are also seen as essential to boosting revenue for the success of manufacturing organizations. Quality, cost/price, and function will all be improved by a well-designed cost management system (Zengin and Ada, 20 I 0). (2000) Kumar and Shafabi. A method of quality planning and cost reduction that manages costs before they arise is another definition of cost management. The usefulness, price, and quality of a product will all increase as a result of a carefully thought-out cost management system. Manufacturing companies employ contemporary cost management techniques in their daily operations, which has a substantial impact on their financial performance (Anderson & Shannon. 2007) Financial performance is a factor in evaluating growth potential, earning capacity, and overall financial strength (Richardson, 2002). According to the business lexicon, financial performance is the measurement of the monetary outcomes of a company's policies and activities, its results can be seen in the company's return on investments. liquidity, solvency, equity return, and asset return.

Omar (2013) did a study to determine the effects of several firm characteristics on the financial performance of businesses classified as belonging to the agricultural sector. His study use the ROA method to measure financial performance, and it amply demonstrates how a variety of business factors ultimately have an impact on the financial success of manufacturing companies. Waithaka (2010) conducted a parallel study that looked at the connection between manufacturing companies' financial success and their methods for managing working capital. Firm leverage, business size, and fixed financial ratio were the variables in her study. Also, this study focused on business aspects. Hence, in contrast to the current study, which exclusively focuses on a contemporary three-dimensional cost management technique, these approaches employed in prior similar studies are broad based.

Limited resources and what appears to be constant competition force businesses to better manage production costs by putting standard costing, budget systems, monitoring cost information, focusing on value-added activities while removing non-value-added ones through supplier coordination, and emphasising cost structure by analysing costs and identifying ways to cut costs during the pre-production stage. Companies that have implemented cost management strategies are able to predict future costs since they have information on both current and future costs. Thus, managers' capacity to make bets will positively impact manufacturing companies' financial performance. Hence, managers' ability to make wiser decisions will positively boost the financial performance of industrial organisations.

Older cost methods focused on internal efficiency while regulating expenses and quality and temporarily balanced them. Cost management, on the other hand, is a process of quality planning and cost reduction that controls the costs before they arise. A well-designed cost management system will result in improvements to a product's functionality, cost, and quality. Modern cost management strategies are used by manufacturing organisations in their everyday operations, which has a significant impact on their financial performance.

Although cost management has been addressed in the past, very little of that study focused on three-dimensional cost management. This gap in the literature is filled by the current study, which has as its goal the analysis of three cost management strategies: cost containment, cost avoidance, and cost reduction. Cost containment focuses on limiting future fixed cost or unit variable cost increases. Cost reduction refers to an effort to lower current fixed costs and variable costs associated with an essential activity. Cost avoidance refers to the elimination of activities that produce costs of non-added values (Groth and Kinnery, 1994). The three-dimensional cost management solutions handle costs associated with managing stock costs, labour costs, and sales and distribution costs.

When evaluating growth potential, earning power, and overall financial soundness, financial performance is the single most crucial factor (Richardson, 2002). Financial performance, according to the Business Dictionary (n.d.), is the measurement of a company's policies and operations' financial results, which are reflected in the firm's return on equity, return on assets, liquidity, and solvency. Financial performance measurements primarily serve three functions, according to Nelly (2010). They serve three purposes: one, as a tool for financial management, two, as important corporate goals, and three, as a mechanism for control and motivation within an organisation. Many academics have employed various financial performance metrics. Profitability, according to Doyle (1994), is the finest and most widely used indicator of performance in Western businesses.

Cost reduction, which is the process of attempting to reduce present fixed expenses and variable costs related to a necessary activity (Groth and Kinnery, 1994). Because of this, the total output of assets is low in comparison to the income that is therefore produced. This causes the (ROA) ratio to rise, which raises profitability.

Cost avoidance, which is defined as eliminating operations that produce non-added value expenses, has a positive effect on profitability since expenditures that raise expenditure without producing future income are avoided, minimising the adverse effect on income. Positive elevation of income causes an improvement in profitability and return on assets (ROA), which is the study's metric for measuring financial performance.

Another strategy that suggests a poor correlation between cost management and financial performance measurement calls for the addition of a variety of non-costing measures to the traditional cost accounting measures in order to capture important strategic performance dimensions that are not adequately captured by short-term accounting measures. According to Brancato (1995) and Fisher (1995a), many businesses believe that cost accounting measures are too historical and "backward-looking," lack the ability to predict future performance, reward short-term or incorrect behaviour, provide little information on the causes of problems or how to solve them, and fail to take into account "intangible" assets like intellectual capital that are difficult to quantify. As a result, many businesses are adding a variety of non-cost performance metrics to complement cost accounting data in an effort to improve their ability to track their financial success and advancement.

However. This study will determine the effect of cost management strategies and firm’s financial performance in Mogadishu, Somalia.

* 1. **LITERATURE REVIEW**
     1. **Introduction**

This chapter presents different literatures related to the effect of cost management and financial performance. The literature will specifically focus on the effect of inventory cost, Labor cost and sales& distributions cost management on financial performance. These literatures have been retrieved from various books, journals, articles and studies related to the same problem under investigation.

* + 1. **The effect of Inventory cost management on financial performance**

Inventory of all kinds represent a major component of capital, and the success or failure of a business depends on the performance of its inventory management, since effective inventory management not only helps to solve the liquidity problem, but also increases the company’s profitability (Panigrahi, 2013). The profitability of these businesses is significantly influenced by their inventory, which is also a key factor in defining their financial circumstances. Given that inventory is one of the most crucial components of the financial position list, especially for commercial companies where it accounts for the majority of their assets' value, any error in estimating the cost of that stock or its evaluation is offset by inaccurate financial statement outputs (Osadchy et al., 2018). An organization's inventory management oversees the identification and tagging of each stock item. It is crucial in many areas of an office or organisation to ensure the regular and organised course of creation as opposed to the irregular yet unsettling influence of running out of materials or goods. Inventory management basically entails evaluating the amount and situation of stocked commodities. Effective inventory management determines how to increase an organization's competitive edge. Benefits must be increased while costs are kept to a minimum and income is increased. A productive notion called "amplification" entails boosting value without expanding the assets being created. As a result, stock is crucial to a commercial association, and similarly, the benefit of the company is important. Inventory concerns with regards to having too high or too few amounts of accessible products might produce disappointments for the firm. In the unlikely event that a private enterprise runs out of a key inventory item, output failures may occur.

Inventory is defined asthe collection of physical commodities currently owned by an individual company. Inventory management helps the persons responsible to make appropriate decisions in determining the requirements of inventory in order to make purchases in appropriate quantities to support production and distribution (Kanekiyo and Agata, 2019). According to Deveshwar and Modi (2013), inventory management is the method a business uses to arrange products, store them in warehouses, and guarantee that the needed products are supplied while simultaneously attempting to keep prices as low as feasible. Stevenson (2011) defines inventory as the resources that are kept on hand to support the present and future needs of the business. Inventory can be retained by a manufacturer, retailer, or supplier in any given supply chain and can take the shape of unfinished goods, finished products, or works in progress. The items utilised in the manufacturing process to produce final goods are known as raw materials. But a raw material at one company might be seen as a finished good at another. Work-in-progress (WIP) inventory is the next type of inventory, and it consists of things that are still being manufactured as well as raw materials that are still being processed. The next category is finished goods, which are products that have finished processing and are prepared for sale to customers. Then there are the MRO product categories, sometimes known as operating, maintenance, and repair supplies. These are the supplies required for running and maintaining the machinery used to turn raw resources into final commodities (Pontius, 2020).

Using a limited sample size (46 enterprises), Balakrishnan et al. (1996) revealed that, in contrast to the findings of the aforementioned studies, JIT adopters' accounting performance actually degrades significantly when compared to a matched sample of nonadopters. According to Blazenko and Vandezande (2003), who demonstrate a significantly positive coefficient on gross margin regressed as a factor influencing finished products inventories, their findings support the idea that profitability discourages stock outs. Also, according to Rotemberg and Saloner (1989), more concentrated industries have a stronger positive correlation between corporate inventories and sales. However, Vastag and Whybark (2005) did not find a significant link between performance and inventory turnover across a global group of manufacturing firms. Demeter (2003) and Tunc and Gupta (1993) both shown that inventory turnover had no impact on return on sales or sales volume, respectively.

* + 1. **The effect of Labour cost management on financial performance**

In order to complete the production tasks, all manufacturing facilities, regardless of their size or financial resources, need a worker, also known as labour. A finished product is created by a workforce from raw materials. To make the finished product, these personnel operate machinery and complete all other jobs. Indirect labour and direct labour are the two different types of labour. The terms "direct labours" and "indirect labours" refer to workers who are directly involved in the process of turning raw materials into completed goods. The business should offer them alluring incentives and a comfortable working atmosphere to reduce labour turnover. In contrast, unsatisfied workers provide low-quality work, high labour costs, and significant labour turnover. Proper labour planning, accounting, and management should be done for that reason. Read a succinct description of labour cost management. 2019 (Narendra Kumar).

The goal of labour cost control is to maintain the labour component of the product as low as possible by using systems, techniques, procedures, and instruments. In order to guarantee that the best employees are accessible and that they are used appropriately, labour cost control entails a number of procedures and actions that are carried out in a coordinated manner by every department of a firm. In order for senior management to make an informed choice and develop plans accordingly, it also involves the process of assessing and reporting the labour cost. To maximise production quality and cut costs, management must regularly adhere to this approach. This control takes many different forms, studies, evaluations, and documentation of the workers' actions and performances, as well as timely calculation and distribution of the correct amount of pay. Cost control is the discipline of locating and decreasing business expenses while boosting earnings. It begins with the creation of a budget. 2019 (Narendra Kumar).

* + 1. **The effect of sales and distribution management on financial performance**

The initial meaning of the phrase "sales management" was the management of the sales force. But in the modern world, it has elevated significantly. The term "sales management" now denoted management of all marketing initiatives, such as pricing, product merchandising, physical distribution, marketing research, and sales promotion. A few of these perspectives are taken into account in the definition provided by the American Marketers Association (AMA). Its definitions include: the organisation, management, and control of the workforce; the planning, direction, and control of the selling activities of a business unit, including hiring, training, assigning, rating, supervising, compensating, and motivating staff members. It may also be cited as a socio-scientific process that involves "group-effort" in the achievement of predefined common goals or objectives. It is a system of authority, without a question, but the focus is on cooperation rather than confrontation. Coordination is the key. The major way that sales management is different from other management disciplines is that a commercial firm's selling operation does not exist in a silo. As a result, a new idea in sales management has emerged at the same time as company developments and a focus on marketing. The company is currently focused on areas of human wellbeing and is society-oriented. As a result, sales management must coexist with traditional lines in a larger, more modern environment. The complete development of human resources is currently being prioritised.

* + 1. **Effect of Cost Management Strategies on Financial Performance**

This is the anticipated relationship between cost management tactics and financial performance: The association between cost management tactics and financial performance is either expected to be favourable or bad, according to the study. According to one school of thinking, there is a correlation because cost management techniques are seen as essential to boosting sales and ensuring the success of manufacturing businesses (Kumar and Shafabi, 2011 ). The use of cost containment strategies like standard costing, sourcing, and budget systems, which set a ceiling on the greatest costs that could be incurred, allows for lesser expenses to be incurred for a given level of income, increasing profitability. Cost reduction refers to an endeavour to minimise current fixed expenses and variable costs associated with a crucial activity because the entire output of assets is less than the resulting money generated. As a result, the (ROA) ratio increases, increasing profitability (Groth and Kinnery, 1994). Cost avoidance, which is defined as eliminating operations that produce non-added value expenses, has a positive effect on profitability since expenditures that raise expenditure without producing future income are avoided, minimising the adverse effect on income. The measure of financial performance used in this study, ROA, shows that positive elevation of income also results in increases in profitability and ROA (Groth and Kinnery, 1994). Another strategy that suggests a poor correlation between cost management and financial performance measurement calls for the addition of a variety of non-costing measures to the traditional cost accounting measures in order to capture important strategic performance dimensions that are not adequately captured by short-term accounting measures. Brancato (1995) and Fisher (1995a) claim that many companies feel cost accounting measures are too retrospective and "backward-looking," are unable to forecast future performance, reward short-term or improper behaviour, provide little insight into the causes of issues, and do not take into account "intangible" assets like intellectual capital that are difficult to quantify. As a result, in an effort to enhance their capacity to monitor their financial success and advancement, many firms are integrating a variety of non-cost performance indicators into cost accounting networks (Schweitzer, 2009).

**3.2 Empirical Reviews**

Empirical evidence in the inventory management-performance relationship produced also mixed results. Early empirical research examining the relationship between cost management and financial performance found that there was a strong relationship. Research was done by Andy and Johnson (2010) to ascertain the effects of Particularly, Milgrom and Roberts (1988) and Dudley and Lasserre (1989) suggested that the reduction of stocks can increase company performance when consumer demand data is timely and reliable. Huson and Nanda (1995) demonstrated that the adoption of JIT by a sample of 55 companies improved inventory turnover, which in turn increased profitability per share. For a sample of non-financial Belgian firms between 1992 and 1996, Deloof (2003) found a significant negative relationship between gross operating income and the number of inventories days. This finding suggests that managers can increase shareholder value by keeping the number of inventories days at a manageable level. Boute et al. (2004), who found no overall IJPPM decrease of inventory ratios despite any increased focus on inventory reduction, and Boute et al. (2006), who came to the conclusion that businesses with very high inventory ratios have a higher likelihood of being poor financial performers, provide additional evidence from Belgium.

This is in line with the findings of Shin and Soenen (1998), who found a substantial inverse relationship between company profitability and the cash conversion cycle for a sizable sample of public American enterprises. By analysing how the market values companies in relation to their various policies regarding inventories, Chen et al. (2005) found that companies with abnormally high inventories have abnormally poor stock returns, companies with abnormally low inventories have average stock returns, and companies with slightly below average inventories perform the best over the long term. In a more recent study, Shah and Shin (2007) used longitudinal data spanning four decades to examine the empirical associations among three constructs - inventory, IT investments, and financial performance - and came to the conclusion that lowering inventories has a significant and direct relationship with financial performance.

* 1. **METHODOLOGY**

The study adopts a Correlation -survey design. Coorelation research design entails a scientific method that concerns observing as well as describing a subject’s behavior without duly influencing it in any manner (Burns, 2010).

This research was a survey study which explored how cost management affects success of financial performance of merchandise companies and a cross-sectional study. The collection of data approach quantitative in nature. Quantitative research is based on numbers, reasoning, and a neutral viewpoint. Quantitative research emphasizes numerical and stable data as well as comprehensive, convergent reasoning over divergent reasoning. The survey design nature of research simplifies the answering of research questions in a more efficient way (Gall & Borg, 2009).

* 1. **SUMMARY OF FINDINGS**

This study was guided by three objectives; To establish effect of inventory cost management strategies and firms financial performance in Mogadishu Somalia. To examine effect of Labor cost management strategies and firms financial performance in Mogadishu Somalia. To determine effect of sales and distribution cost management strategies and firms financial performance in Mogadishu Somalia.

According to Table 4.1.1 the majority of the respondents were male, so 62.7% were male and 37.3% of the respondents were female. this indicate that Male were dominated by the female. Table 4.1.2 shows the most of respondents of this study 49 (73.1%) were 18-30 year while 12(17.9%) were 31-40 year also 4 (6%) were41-50 years and 51-above(2%) . The researcher indicates the most of respondents were 18-30 years old.

Table 4.1.3 Shows the most of respondents of this study 52 (77.6%) were married and 15(22.4%) were single. The researcher indicates the most of respondents were married. Table 4.1.4 shows the most of respondents of this study 36(53.7%) were Bachelor level, 13 (19.4%) were Diploma level, while 9(13.4%) were Master level. so, the researcher indicates that the most of respondents were bachelor level. Table 4.1.5 shows the most of respondents of this study 28(541.8) were two years, 20(29.9%) were one year, and 12(17.9%) were above two years and 7(10.4%) were less than one year. So, the researcher indicates that the most of respondents were two years business experiences.

According to the descriptive statistical table, results in table 4.2.1 the inventory cost management strategies total average 3.81 which indicated very good, the highest rated part of All employees are aware of the inventory cost 4.25 and this followed the Successful companies have clear organizational inventory cost manager 3.75, All inventories must be labeled in the warehouse 3.71, All procedures and inventory costs are documented 3.55. The lowest respondents of above dimensions are All procedures and inventory costs are documented can lead to reliable financial reporting 3.55.As the descriptive statistical table, results in table 4.2.2 the variable labor cost management total average 3.69 which indicated the labor cost management strategies are very good. The highest rate calculated was the merchandise & manufacturing companies try to reduce labor cost 3.95. the second, Labour cost is the most important factor in manufacturing firms.3.68, Production manager always seek minimum labor cost.3.62, and the lowest is High technology can assist firms to reduce labor cost 3.53.

According to the descriptive statistical table, results in table 4.2.3 the sales and distribution strategies total average 3.96 which indicated the sales and distribution strategies is very good, the highest rated part of A manufacturer may incur expenses directly in relation to selling the product or to attract customers to buy the products.4.43 and this followed the Cost reduction is a challenging subject in logistics and distribution and too often we’ve seen companies just try to cut headcount in order to achieve quick cost reductions 3.98, Sales managers must have talent to attract their customer 3.97, and the lowest respondents of above dimensions are Distribution system can be simplified by eliminating a field warehouse by supplying customers in the local market direct from the manufacturing source 3.13.

According to the descriptive statistical table, results in table 4.3.1 the financial performance total average 3.49 which indicated the financial performance is very good, the highest rated part of Financial performance is the measurement of the results of operations in monetary terms .3.67 and this followed the Accountability process is adequate in your firm 3.53, Sales managers successfully maximize share holds profit 3.41, and the lowest respondents of above dimensions are Top managers of the firm develop high return strategies 3.37.

* 1. **CONCLUSION**

According to the results of the study, it is concluded that the successful small business firms have cost management strategies as supported by the study findings of clear cost management to maximize financial performance and profitability. However, there are adequate inventory cost management controls over information systems. There is also compliance to most successful small firms’ guidelines that can lead to reliable financial reporting.

On financial performance of the merchandise firms in Mogadishu, the study concludes that the labour cost reduction of merchandise can lead to high profitability, The final conclusion of this study is that the cost management strategies have significant relationship to firms’ financial performance. The goal of labour cost control is to maintain the labour component of the product as low as possible by using systems, techniques, procedures, and instruments. In order to guarantee that the best employees are accessible and that they are used appropriately, labour cost control entails a number of procedures and actions that are carried out in a coordinated manner by every department of a firm. In order for senior management to make an informed choice and develop plans accordingly, it also involves the process of assessing and reporting the labour cost.

* 1. **RECOMMENDATIONS**

This study suggested that in order to enhance financial performance, businesses should implement stringent inventory management and cost reduction measures, particularly for indirect costs. In order to reduce superfluous costs, successful businesses also reduce their production and distribution routes. If a company has implemented a cost management strategy, it can use information on both present and future costs to predict how much money will be spent in the future. As a result, managers are able to make decisions that favourably impact financial performance.

Any business that wants to succeed needs an effective distribution management process to transport finished items from the manufacturer to the final customers. This is because the best product won't be offered, and the marketing mix will fail without distribution. As a result, companies are increasingly using supply chain management to reduce expenses, increase market share and sales, and forge solid client connections.

Furthermore, this advised the merchandise companies to put in place an information system that enables the fast, accurate, and reliable transmission of information to stakeholders as well as the unrestricted exchange of information between management and employees.

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