

## Course descriptor

Title of the course	Strategic Cost Management				
Title of the Academic Programme	Master in Finance Master Programme, year 2				
Type of the course	Elective				
Prerequisites	Corporate Finance, Investment Analysis, Financial Management				
ECTS workload	4				
Total indicative study hours	Directed Study	Self-directed study	Total		
	40	112	152		
Course Overview	The purpose of the academic discipline "Strategic Cost Management" is to form the foundations of professional competencies in the field of cost management, as well as research, analysis and pedagogical activity in the field of cost management.				
Intended Learning Outcomes (ILO)	The main objectives of the discipline is the formation of undergraduates: <ul style="list-style-type: none"><li>• a set of theoretical knowledge necessary to understand the nature of costs and the basics of managing them;</li><li>• skills of using the mathematical apparatus necessary for the purposes of strategic management of costs;</li><li>• presentations about modern cost management tools.</li></ul> In the process of studying the course the following educational tasks are being solved: <ul style="list-style-type: none"><li>• profound mastering by the students of the master's program of the basic principles of cost management;</li><li>• mastering of the main methods of strategic cost management;</li><li>• mastering of cost management tools in order to achieve the strategic goals of the enterprise;</li><li>• mastering the methods of analyzing cost-creating factors;</li><li>• acquisition of skills of application of theoretical knowledge in practice of management of expenses at the enterprise.</li></ul>				
Indicative Course Content					
№	Topic / Course Chapter	Total	Directed Study		Self-directed Study
			Lectures	Tutorials	
1	The Essence of Strategic Cost Management	22	2	2	18
2	Strategic Cost Management in the Firm's Strategy Implementation System	22	2	2	18
3	Strategic Cost Management Based on the Value Chain Concept	26	4	4	18
4	Analysis of Cost-Creating Factors	26	4	4	18
5	Analysis of Breakeven Solutions in Pricing	28	4	4	20
6	Innovative Tools for Strategic Cost	28	4	4	20

	Management				
<b>Total study hours</b>		152	20	20	112
Teaching and Learning Methods	The course consists of lectures (20 hours) and tutorials (20 hours). The tutorials involve student presentations (in small groups), problems solving, case analysis and the individual assignment (project).				
Indicative Assessment Methods and Strategy	<p>The final mark is the weighted mark that is calculated as follows:  <math>GF = 0,3FP + 0,25TM + 0,25GP + 0,2CA</math>,  Where:  GF – final grade;  FP – final presentation (group presentation on strategic cost management tools used by a selected company);  TM – written tests;  GP – group presentations on different theoretical and practical problems of strategic cost management;  CA – class activity  Final mark is an integer number. Rounding of the final mark is made according to the mathematical rules.</p>				
Readings / Indicative Learning Resources	<p><u>Mandatory</u></p> <p><u>Optional</u></p> <ol style="list-style-type: none"> <li>1. Azriyah Amir, SofiahMdAuzair, RozitaAmiruddin. (2016). Cost management, entrepreneurship and competitiveness of strategic priorities for small and medium enterprises. Procedia – Social and Behavioral Sciences, 219: 84-90.</li> <li>2. Mark Anderson, OzerAsdemir, ArindamTripathy. (2013). Use of precedent and antecedent information in strategic cost management. Journal of Business Research, 66 (5): 643-650.</li> <li>3. Lisa M. Ellram, Linda Stanley. (2008). Integrating strategic cost management with a 3DCE environment: Strategies, practices and benefits. Journal of Purchasing and Supply Management, 14 (3): 180-191.</li> <li>4. Global Asset Management. Strategies, Risks, Processes and Technologies. Ed. by Michael Pinedo, Ingo Walter. Springer, 2013</li> <li>5. Thomas W. Guenther, Simone Gaebler. (2014). Antecedents of the adoption and success of strategic cost management methods: a meta-analytic investigation. Journal of Business Economics, 84 (2): 145-190.</li> <li>6. Jean-François Henri, Olivier Boiral, Marie-Josée Roy. (2016). Strategic cost management and performance: The case of environmental costs. The British Accounting Review, 48(2): 269-282.</li> </ol>				
Course Instructor	Ivan Kotliarov, Associated Professor, <a href="mailto:ikotliarov@hse.ru">ikotliarov@hse.ru</a>				

### Intended Learning Outcomes (ILO) Delivering

Programme ILO	Course ILO	Teaching and Learning Methods for delivering ILO	Indicative Assessment Methods of Delivered ILO
ILO6 Evaluate and design financial strategies for companies	To set of theoretical knowledge necessary to understand the	Problem solving Individual projects Group projects and	Reports on projects Individual assignments Exam

and financial institutions in a turbulent environment	nature of costs and the basics of managing them. To develop skills of using the mathematical apparatus necessary for the purposes of strategic management of costs and preparing presentations about modern cost management tools.	discussions Real-life tasks Cases	
---	---	---	--

## Course Content

### **Topic 1.The Essence of Strategic Cost Management**

Strategic and operational levels of cost management. Nature of strategic cost management. Goal and tasks of strategic cost management. Part of the strategic cost management within strategic management. Tools of strategic cost management. Information basis of strategic cost management.

### **Topic 2.Strategic Cost Management in the Firm's Strategy Implementation System**

Concept of strategy.Types of strategic missions.Strategic mission as a basis for strategic planning and for budgeting.

Competitive advantage strategy and strategic cost management.

Competitive strategies and strategic cost management.

### **Topic 3.Strategic Cost Management Based on the Value Chain Concept**

Company micro-environment. Strategic aspects of value chain analysis. Methodology of setting up a value chain within an industry (assets, centers of value, cost).

### **Topic 4.Analysis of Cost-Creating Factors**

Cost factors as an element of strategic cost management. Structural factors.Functional factors.Models of financial relations.Selection of partners.Tenders.

Traditional and strategic models of cost management.

### **Topic 5.Analysis of Breakeven Solutions in Pricing**

Classification of costs for pricing.Dynamics of factors of production.

Breakeven Solutions.

Breakeven point.Calculation of turnover.

### **Topic 6.Innovative Tools for Strategic Cost Management**

Coopetition.Outsourcing.Electronic commerce.Virtualization of business.Advantages, disadvantages and fields of implementation of innovative tools.

## **A SAMPLE PLAN OF TUTORIALS**

### **Tutorial 1.The Essence of Strategic Cost Management**

The discussion on the main aspects of the definition of strategic cost management and its importance for strategic management.

### **Tutorial 2.Strategic Cost Management in the Firm's Strategy Implementation System**

We discuss the importance of strategic cost management for corporate strategy. Practical cases of different strategies will be analyzed.

### **Tutorial 3.Strategic Cost Management Based on the Value Chain Concept**

We analyze practical cases of different value chains.

### **Tutorial 4.Analysis of Cost-Creating Factors**

The discussion of different cost factors on the basis of practical cases.

### **Tutorial 5.Analysis of Breakeven Solutions in Pricing**

Calculation of breakeven price.

### **Tutorial 6.Innovative Tools for Strategic Cost Management**

Analysis of advantages and risks of innovative tools on the basis of practical cases.

## Assessment Methods and Criteria

## Assessment Methods

Types of Assessment	Forms of Assessment	Modules			
		1	2	3	4
Formative Assessment	Test	*			
	Essay				
	Report/Presentation	*			
	Project	*			
	In-class Participation	*			
	Other (write appropriate control forms for the course)	*			
Interim Assessment (if required)	Assignment (e.g. written assignment)				
Summative Assessment	Exam	*			

## AssessmentCriteria

### In-class Participation

Grades	Assessment Criteria
«Excellent» (8-10)	A critical analysis which demonstrates original thinking and shows strong evidence of preparatory research and broad background knowledge.
«Good» (6-7)	Shows strong evidence of preparatory research and broad background knowledge. Excellent oral expression.
«Satisfactory»(4-5)	Satisfactory overall, showing a fair knowledge of the topic, a reasonable standard of expression. Some hesitation in answering follow-up questions and/or gives incomplete or partly irrelevant answers.
«Fail» (0-2)	Limited evidence of relevant knowledge and an attempt to address the topic. Unable to offer relevant information or opinion in answer to follow-up questions.

### Project Work

Grades	Assessment Criteria
«Excellent» (8-10)	A well-structured, analytical presentation of project work. Shows strong evidence and broad background knowledge. In a group presentation all members contribute equally and each contribution builds on the previous one clearly; Answers to follow-up questions reveal a good range and depth of knowledge beyond that covered in the presentation and show confidence in discussion.
«Good» (6-7)	Clearly organized analysis, showing evidence of a good overall knowledge of the topic. The presenter of the project work highlights key points and responds to follow up questions appropriately. In group presentations there is evidence that the group has met to discuss the topic and is presenting the results of that discussion, in an order previously agreed.
«Satisfactory»(4-5)	Takes a very basic approach to the topic, using broadly appropriate material but lacking focus. The presentation of project work is largely unstructured, and some points are irrelevant to the topic. Knowledge of the topic is limited and there may be evidence of basic misunderstanding. In a group presentation, most of the work is done by one or two students and the individual contributions do not add up.
«Fail» (0-2)	Fails to demonstrate any appropriate knowledge.

### Written Assignments (Essay, Test/Quiz, Written Exam, etc.)

Grades	Assessment Criteria
«Excellent» (8-10)	Has a clear argument, which addresses the topic and responds effectively to all aspects of the task. Fully satisfies all the requirements of the task; rare minor errors occur.
«Good» (6-7)	Responds to most aspects of the topic with a clear, explicit argument. Covers the requirements of the task; may produce occasional errors.
«Satisfactory» (4-5)	Generally addresses the task; the format may be inappropriate in places; display little evidence of (depending on the assignment): independent thought and critical

	judgement include a partial superficial coverage of the key issues, lack critical analysis, may make frequent errors.
«Fail» (0-2)	Fails to demonstrate any appropriate knowledge.