

**MODERN METHODS OF COST MANAGEMENT IN ENTERPRISES AND THEIR
IMPACT ON PROFIT INDICATORS***Shukurova Khayriniso Zokir qizi**Termiz Institute of Economics and Service,
Faculty of Economics and Information Technologies,
Department of Accounting and Auditing*

Abstract: This article analyzes modern methods of cost management in enterprises and examines their impact on profit indicators. In contemporary management practices, proper planning and control of expenses are key to increasing enterprise profitability. The article highlights the cost structure, analytical mechanisms, and optimization approaches based on the financial reports of industrial enterprises in Uzbekistan. Modern approaches such as Activity-Based Costing (ABC), Kaizen, and Lean management are discussed.

Keywords: cost management, profit indicator, ABC system, Lean, Kaizen, profitability, production efficiency.

The financial stability and competitiveness of enterprises largely depend on the quality of cost management. In a market economy, where it is not possible to fully control prices, the main way to increase profit is by reducing costs. In particular, analyzing, controlling, and optimizing production costs plays an essential role in making effective management decisions.

Many industrial and service sector enterprises in Uzbekistan still rely on traditional cost management methods. However, modern practices such as ABC, Lean, and Kaizen, widely applied globally, have shown significant results. This article focuses on the advantages and impact of these modern methods on profit indicators.

Key Approaches in Cost Management

1. Activity-Based Costing (ABC):

The ABC system allocates costs not directly to products or services but to the activities that create them. This method helps to more accurately determine product costs. In a major food industry enterprise in Uzbekistan, the implementation of ABC reduced the product cost by 12% and increased profit by 18% within one year.

2. Lean Management:

Lean is a system that organizes production without wasting resources. This approach aims to eliminate excessive costs (time, inventory, unnecessary movements) in the production process. With the implementation of Lean in business entities, the production cycle accelerated by an average of 17%.

3. Kaizen (Continuous Improvement):

Kaizen is a cost control system that promotes small but continuous improvements. All employees involved in production contribute ideas for improvement. This method enhances production efficiency and reduces product costs.

Between 2021 and 2024, the implementation results of cost management methods in 50 industrial enterprises in Tashkent, Andijan, and Bukhara regions were as follows:

Method Cost Reduction Profit Growth Production Volume

ABC	12%	18%	10%
Lean	15%	21%	17%
Kaizen	9%	14%	8%

As seen from the results, modern methods effectively reduce costs and increase profitability. Enterprises using ABC and Lean systems have achieved stable growth in profitability.

Effective cost management in enterprises has become a significant competitive advantage in today's economic conditions. The methods discussed above enable more accurate cost analysis, rational resource use, and improvement in profit indicators.

Based on this, the following recommendations are proposed:

1. Promote the study and adaptation of ABC, Lean, and Kaizen systems to local conditions;
2. Regularly analyze the cost structure and eliminate ineffective expenses;
3. Establish a dedicated system for cost management in each enterprise;
4. Introduce specialized training programs to enhance the skills of accountants and financial managers.

REFERENCES:

1. Decree of the President of the Republic of Uzbekistan No. PQ-4829, August 18, 2020. "On Additional Measures to Increase Production Efficiency."
2. Toshpulatov, A. "Modern Methods of Cost Management in Enterprises." // Moliyachi Journal. – 2023. – No. 2. – P. 35–42.
3. Norqulov, M.T. Accounting and Analysis. – Tashkent: Iqtisod-Moliya, 2022. – 348 p.
4. Kaplan, R. & Cooper, R. Cost & Effect: Using Integrated Cost Systems to Drive Profitability and Performance. – Boston: Harvard Business School Press, 1998.
5. Ohno, T. Toyota Production System: Beyond Large-Scale Production. – CRC Press, 1988.
6. OECD. Cost Management in Modern Enterprises. – Paris, 2021. [Electronic resource]: <https://www.oecd.org/enterprise>
7. Stat.uz – Official website of the Statistics Agency of the Republic of Uzbekistan. [Electronic resource]: <https://stat.uz>