
COSTS OF DEVELOPMENT OF NEW PRODUCTS

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Abstract: The successful management of costs in the development of new products in small and medium-sized enterprises in the Western Balkans is being developed in agriculture. Effective cost management in the development of new products in small and medium-sized enterprises has serious and direct implications for the efficiency of the enterprises themselves. The appeal for the production of vegetables arises from the need to analyze the management of costs as one of the basic conditions for increasing the efficiency of business entities, with particular emphasis on small and medium-sized enterprises as a major driver of economic activity and economic development. Specifically, the purpose of the vegetable industry is to define and analyze the correlation between the successful management of costs in developing new products and the efficiency of small and medium-sized enterprises in the Western Balkans. Modern working conditions, characterized by dynamic structural changes, continuous growth and development of modern technology, internationalization and globalization of markets, increasing the global competitiveness of companies, fragmentation of the market and increased insecurity developing a dynamic and relatable sector as small and medium sized as possible.

The idea that big companies tend to grow into big systems that are followed by technological development, why they have high efficiency and productivity and a great deal of leverage on the world markets, has prevailed. Namely, you have been a challenge to globalized economies and at the same time a possibility for economic development and prosperity, but with the changes in working conditions and the deepening of the crisis of big companies in the world, since the end of the 1980s, the economic policies of the last century started to take a serious interest in small business development, industrial competitiveness, restructuring and privatization.

In the 1980s, turbulent changes occurred in the functioning of the economic systems of individual national economies to dismantle socialist systems and lay the foundations for a stable democratic society (capitalism). The crisis affecting the financial markets, followed by the high interest rates on the ears, has increased the imminence of the emergence of small and medium-sized enterprises and the level of importance for the internal economy, according to the level of financial structure. During this period, the first in the SAD was a shaky liberal and institutional environment that slowly reflected on the expansion of these entities, and such conditions underwent expansion in other lands as well, when ownership of the activity began.

Because of this, the vegetable period will be remembered because of the strong effect of entrepreneurial reconstruction, and the economic science further points to the importance of small and medium-sized enterprises, as carriers of restructuring of economic systems, as well as their own generative capacity, new recruits and mobilizers of all factors of production.

Undoubtedly, one of the main characteristics of modern market savings is that small and medium-sized companies represent a club factor for level of functionality and efficiency. In this sense, they represent the true engines of economic development, because, therefore, in the vegetable industry, special attention is paid to the development of this dust, and the consciousness's and conclusions that are expected to have a meaningful implication are the implications.

Keywords: management, costs, development, efficiency, products and enterprises.

ENTRY

In today's dynamic and competitive environment, every organization aims to survive in the market with the greatest possible profit. The profit of the company, of course, depends on the expenses actually made. Well, the smaller the amount, the bigger the profit. Therefore, determining the costs in the day-to-day business of modern organizations is very important. The importance of cost determination is to enable the company to provide the largest possible reduction, which would lead to an increase in the company's profits. To achieve this goal, to increase profits, the company makes a plan for all its expenses, i.e. production costs, direct cost planning, labor and total production costs, and a sales cost plan. The difference, between planned and actual costs is the basis on which the organization plans in which direction to move in the future. How costs are reduced to what is planned or how actual costs can be reduced in the future. In today's modern society, there are different methods available to different companies that can use them as costing methods. Due to the great importance of costs, the companies themselves develop and

implement various systematic solutions for their planning and monitoring to make it possible to reduce them. Production theory is the basis for determining and calculating costs. According to production theory, different types of costs vary depending on changes in production volume. Depending on how they relate to changes in production volume, we distinguish between fixed and variable costs.

A modern approach to livelihoods requires continuous and ongoing cost analysis to achieve optimum quality, to achieve good quality at the lowest cost or better quality. No additional costs are incurred. Expenditure as an economic accounting category is present in all areas and is an important part of every business decision making. There is historical evidence to show that costs were present even in the earliest forms of human existence and work. Human decision has always been based on costs that have been identified for the rational use of assets and labor. Expenditure as a category is the most significant and dynamic element of any economy. In fact, these are issues that are always present and addressed in a number of scientific disciplines, especially in the economic field. So it is no coincidence that in ordinary speech the word "economy" is equated with rational spending, that is, cost savings or cost savings. Cost as a category reaches development with the emergence of cost theory in economic science. Economics scholars, perceiving the role, importance and significance of costs, came to their full and studious study and analysis.

1. THE CONCEPT, UNDERSTANDING AND DIVISION OF COSTS

Today, if we want to make an analysis of an entity's operations, the basis of that analysis will be to show the results of operations through the entity's costs. All current external and internal factors that affect all changes and movements of assets in an entity are expressed and controlled precisely through its costs.

Over time, many authors have tried to explain and determine costs. The most common definition we find is the definition that: "Cost is the most valuable (monetary) estimate of: materials, labor, time and risks in the production and delivery of goods and services." In fact, in such a determination of costs, we can observe that if it is a matter of spending the basic elements in the production process, labor and production materials, we are talking about costs in the narrow sense. But in addition to these immediate production costs, other costs have arisen during production that are not directly related to production and are dependent on production. Such costs are those that relate to and relate to the sale, delivery, planning, management, salaries of non-manufacturing managers and employees, as well as the total costs of cooling, heating, lighting and more. This company incurs various costs that are not related to the production itself, which are part of its existence. As such, there are different types of membership fees, fees and more. These costs, as well as the various accounting expenses for the business and the overhead costs, although not related to their physical consumption of production, are included in the cost and accounting is treated as production costs. So if we add all the other costs and costs of a particular production to the basic production costs, i.e. the cost of the elements in the production process, in this case it is a production cost in the broad sense.⁸⁹

Considering the above, we also get an expanded definition of the concept of costs - costs represent money in terms of expenditure of money and labor, but also all costs that are components of the cost per unit of product. In determining costs, the price is always linked to the price of the single product. We must therefore distinguish between costs and extra costs (costs of various fines and penalties, firearms, floods, etc.). We can say that, on the one hand, costs are actually an expression of productive costs, and extraordinary costs are, on the other hand, an expression of unproductive costs. In order for a business to operate successfully, it is necessary to constantly monitor, analyze and evaluate costs. Due to their complexity, in order to better understand and manage them, the need to break down the costs of the individual parts was imposed. In theory and in practice, there are different cost divisions. Cost-sharing is carried out according to different criteria, which however depend on the purpose it seeks to achieve with such a cost classification.

2. NATURAL COST TYPES

The division of costs according to their natural types is a natural division which shows for what kind how much expenditure is incurred, and for what kind of needs are incurred. The costs of the other divisions are not expenses outside the natural types, but they are the same expenses, which, once identified, are reclassified (restructured) for different purposes according to the needs of the specific conditions of activity of the enterprises.

By nature, costs can be divided into the following five groups:

- consumed materials;
- calculated payments;
- services;

⁸⁹ Samuel Certo, S. Trevis Certo, Modern Menadztment, (Zagreb 2008), 460

- amortization;

- contributions and membership fees.

In the group of consumables are the value of the expenditures expressed: raw materials, fuels, lubricants, office supplies, small equipment, packaging, tires.

The calculated (calculated) salaries represent the total (gross) amount determined on the basis of the net salaries for the employees, raising the fees to the state for: pension and disability insurance, for immediate protection of children, for work, for education, culture and physical culture, social care and other responsibilities.

Services from others may be significant or less significant amounts of costs, depending on the type and extent of the operation of a particular enterprise. This type includes: installation repair services, PR services, car repair, consultations with specialists and scientific institutions and people, services for implementation of a new organizational location of the company, services for preparation of an advertising campaign.

Depreciation is a transfer of a part of the value of the acquired fixed assets in the enterprises, calculated according to the legal rate (annual percentage) or according to the surveys of the fixed asset.⁹⁰

Contributions and other costs (membership fees) that burden the price are those costs that the enterprise is obliged to calculate and pay to the state to meet public needs (army, police, health, education), as well as those related to: interest on loans for permanent and current assets for promotion, advertising and propaganda, insurance premiums, banking services, membership fees for chambers of commerce and other associations.

3. COSTS ACCORDING TO THE WAY IN WHICH THE SIZE OF THE BUSINESS CHANGES

Depending on how the volume of production changes, the costs are divided into fixed, variable and semi-fixed (semi-variable).

The fixed costs in their total over a certain period remain unchanged. Examples of fixed costs are those for life, depreciation of fixed assets, interest rates on loans, rentals, letting and more. Fixed costs are also called installed capacity costs. Average stationary (per unit of implementation) costs declined as production increased. This phenomenon is called cost diversion. There are also fixed costs when there is no production.

If we want to calculate the average fixed cost, ie fixed unit cost, this will be obtained when the total fixed costs are divided by the quantity of products produced. Average fixed costs, as opposed to total fixed costs, are variable. They are inversely proportional to changes in the degree of capacity commitment. That is, we have an increase in production volume, the amount of fixed cost per unit of product will decrease and vice versa. This is because we have in mind the fact that the sum of total fixed costs is constant, and there is only a change in the number of products produced.

Variable costs change as production volumes change. They increase as the volume grows, but decrease with the decrease in production volume. Some variable costs change in proportion (in proportion) with the shift, some increase in production volume with a relatively small percentage, while other types of variable costs with a larger percentage as production increases. Examples of variable costs are materials consumed, calculated (calculated) costs to pay for production, electricity consumed.⁹¹

Semi-fixed (relatively fixed) costs in their total amount remain unchanged within one production area. As they move into the next, higher area of activity, they sharply increase and remain fixed while operating in the same zone. A prime example of semi-fixed costs is the cost of introducing a new shift when the whole group of costs will increase sharply and remain unchanged while working two shifts.

4. COSTS DEPENDING ON THE PREDICTION METHOD

Successful cost management cannot be imagined without their prediction of a shorter or longer period of time during which an enterprise can use the cost data from recent periods of affiliates or make research based on it.

Actual costs relate to the actual consumption of assets and labor over a specified period. These costs actually show how much real costs are incurred over a period of time. We call these costs historical costs because they give us guidance on costs in the past. Interventions can be undertaken to improve the economy and efficiency of the operation. It is necessary to determine the actual cost of determining the actual output achieved and the actual value of the supplies. On the other hand, these costs are necessary when making business decisions to anticipate the cost implications.

Planned costs are estimated costs. They are usually set at the end of the year for the purpose of applying the planned financial results for the following year. The determination of planning costs is determined based on the experience

⁹⁰ Robert D. Hisrich and Michael P. Peters, *Entrepreneurship* (Boston: Irwin McGraw-Hill), 170

⁹¹ Ricky Griffin, *Fundamentals of Management*, 2010), 239-241

of incurring costs in recent years, as well as the planned economic activity of the enterprise in the following year. Planned costs are usually reported as normal costs. When the actual costs are lower than planned, the costs are considered to be lower and there are savings, the realized profit. When we have the opposite, we increase costs and inefficient costs.

Standard costs are planned costs, which are determined on the basis of universal scientific research on defragmentation and the movement of costs, which are established by scientific methods of organizing work and the most accurate measurement of the necessary expenditure of resources and labor.

The most prominent in practice and literature are standards of value and quantity. On the one hand, standard cost-based costs show how much they cost. On the other hand, quantitative standard costs show us how much and what amount of materials, working hours, etc. they need to spend on a single product. The success of the operation can be seen by comparing actual and standard costs and measuring their deviation, which can be positive or negative. If there are concessions, then the leadership with its influence will focus on undertaking activities to see them. Removal of the causes of deviations will also be made or simply adapted to the standards of the particular environment. Such a process in the written literature is known as the "principle of exclusion" and here we emphasize only the more significant deviations. If there are small deviations, they are ignored.⁹²

5. CONCLUSION

However, it must be borne in mind that when it comes to quality assurance costs, it is always necessary to look for the optimum connection: quality / price. For most leading companies, their success is estimated to be due to the achievement of the highest quality, which is ensured through continuous involvement in the process of reducing the proportion of defective products. Furthermore, if we take into account the numerous studies conducted by world experts on quality price, we can conclude that:

- Quality does not come without effort and care. It is not the costs that make the costs high, but the costs that will be incurred if the product does not meet the requirements of consumers for the first time.
- It is quality that does not cost much, but it is quality that is profitable. This is because every penny that is not spent on correcting something goes wrong.

LITERATURE

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⁹² Robert A. Baron, Scott A. Jane, *Entrepreneurship, a process with perspective 2011*