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Research onthe Power of Decision-making in Strategic Cost Management and Corporation Competitiveness

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Abstract—This empirical study was to investigate the effects of the power of decision-making in strategic cost management on corporate competitiveness. The research focused on Taiwanese enterprises with overseas subsidiaries.

Unlike a case study seen in most literature review, this study is a breakthrough because the subject of this study was a questionnaire to analyze the relationship between the decision-marking in strategic cost management and corporate competitiveness.

The competitiveness of company was better than its competitors when the strategic cost management policies were executed directly by the decision-making unit. The correlation among the corporation competitiveness variables all reached the significant level.

Index Terms—Strategic decision-making; Strategic Cost management; Competitor Analysis

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1. Introduction

In the face of rapid economic changes and challenges, how can an enterprise make quick decisions and achieve its strategic goals? This can be done if an enterprise can develop its strategies for competitions, quickly clarify its objectives, adjust its strategies with resources at hand, realize its obstacles and remove them, and identify its profit models and its corporate positioning.

Due to rising demand for tax revenue, a dramatic increase in land and labor costs in most countries, and globalization, enterprises have to relocate their production bases to other countries. In addition, the transfer pricing regulations valued by the OECD and G20 also pose a great challenge to Taiwanese enterprises.

As most Taiwanese companies focus on OEM and ODM business and most critical technology is controlled by foreign business, their existence value can be replaced easily. To stay competitive, they have to respond to more demanding requests by their customers, including more product innovation, better supply chain management and fast delivery time, and logistics. Whether the tough demand can be met is a test on the managerial capability and wisdom of the Taiwanese companies. It's even more vital for them to build sustainable competitive advantages in today's competitive age.

To coordinate the requirements by its suppliers and customers, companies have to build a complete supply chain. Their main focus has shifted from improving operation efficiency in companies to upgrading the overall effectiveness both within their companies and among their business partners.

Competitive advantages most companies used to depend on might no longer exist due to internal and external changes in the business environment after years. Consequently, managers start to wonder whether their strategies went wrong. However, the book titled "Execution : The Discipline of Getting Things Done" indicates that "Strategies most often fail because they aren't executed well."(Boddisy, and Charan 2002).

The real challenge to the management of a company is always leadership, and the empowerment of the strategic planning and decision-making. If a company has great leadership, empowerment, and good business models, it can execute its strategies successfully and stay sustainable.

The purpose of this study was to investigate the effects of decision-making in strategic cost management on corporate competitiveness. The subjects of this study were Taiwanese companies with overseas subsidiaries. A correlation analysis between corporate effectiveness and the decision-making units, including the headquarters, the overseas subsidiary alone or either unit respectively, was adopted. Based on the findings, the study also intended to investigate whether a company can adjust the ratio of the elements of competiveness in the future and show an excellent performance compared to its competitors.

2. LITERATUREREVIEW

There are three components of strategic cost management and they are value chain analysis, cost driver analysis, and strategic positioning analysis (Shank, and Dajaran 1993). An industry value chain is composed of upstream suppliers and downstream distributors.

After a strategic positioning analysis, a company can understand more about its competitors and create its own competitiveness by separating its value chain activities and understanding its core capabilities.

By applying the result of a value chain analysis, firstly, a company can integrate its current conditions, examine its strengths and weaknesses, focus on the value chain in the whole industry and ensure its own strategic goals. Next, it can analyze its strategic positioning, control its cost drivers, have a better positioning than its competitors, create its own corporate advantages and inimitable business models, and generate long-run profitability.

If an enterprise can improve its various cost drivers simultaneously, it can lower its costs effectively after the improvement is done. A typical example is that economies of scale can increase learning effectiveness. The increase in the integration level can expand economies of scale. A product mix can influence the size of economics of scale to some extent. The improvement in geographical locations represents the changes to structural requirements.

If a resistance or an offset exists among cost drivers and an enterprise attempts to improve the cost drivers of a product, the following will happen to make things worse:

1. Expand economics of scale in a large scale will lead to insufficient unitization of production capability.
2. High vertical integration will influence the policy-making of an enterprise.
3. The expansion of economies of scale might be influenced by institutional variables and be interfered by the Anti-Monopoly Law.

An enterprise should choose favorable cost drivers that can mutually reinforce each other over the negative variables, analyze their influences on the total costs and ensure its strategic positioning.

To sum up, there are many reasons and approaches to cost driver control. The cost driver of the value chain vary from industry to industry. In the process of strategic cost analysis, the key is to analyze each cost driver of an activity based on the result of the value chain, integrate the strengths of the enterprise and propose measures to control the cost drivers.

Strategic cost management is a modern cost management approach. It can upgrade the overall management level of an enterprise by constant cost optimization. An enterprise should fully understand the concepts, characteristics and applications of strategic cost management first, and involve all the people in the enterprise in the visionary financial management. To make an enterprise stay sustainably and profitable, it is essential to enhance its cost management by broadening the sources of income and cutting costs, build strict procedures for financial auditing, and constantly optimize its approaches to corporate strategic cost management.

Strategic positioning analysis comes down to which competitive strategy will be adopted by a company to gain competitive advantages. Is it cost-oriented or differentiation-oriented? Is it based on the existing value chain or off the value chain? Is it a better idea to just modify and allocate the cost drivers in the existing value chain and create better advantages over its competitors to obtain long-run profitability and sustainability?

How can an enterprise realize its specific strategic goals? What goals should a leader expect to realize in the process? To successfully implement the strategies, the first task for an enterprise is to clearly describe the directions and goals, pay attention to the implementation status all the time, and constantly and effectively monitor whether the strategies are executed in the right direction. A good strategy can only be implemented successfully with an outstanding management and control process.

How to implement a strategy is important. Without implementation, a strategy remains empty talk. Enterprise resources can come outside or inside the organization. How to integrate outside companies in the supply chain can be influential for the growth and transformation of the small and medium manufacturing industry.

In decision-making, what are the strengths and weaknesses when a decision is made by a corporate headquarters or by an overseas subsidiary? There are three variables to consider and they are “special scenarios”, “participants” and “leader”.

Competitiveness is derived from economics. There is not a universal definition of competitiveness. Pass and Lowes (1994) proposed two definitions. One is the market structure and it indicates the market type by the number of the companies in the supply market. The other refers to the process where different companies strive to get customers to purchase their products by price and product differentiation.

Porter (1985) indicated that a company with long-term uniqueness on the market can obtain a superior competitive position. Barton (1992) pointed out that the core competitiveness of a company relies on its identity and body of knowledge

Commonwealth magazine in Taiwan adopted the same 10 indicators used in 1999 to select Taiwan’s top 10 Most Admired Companies in 2013 in its survey. As the 10 indicators are in line with the definition and indicators of corporate core competitiveness recognized by researchers and they also correspond to the measurement indicators of this study, the 10 indicators were adopted to be the measurement indicators of this study to evaluate the competitiveness of a company. The 10 indicators are “visionary capability”, “innovatory ability”, “customer-oriented products and services”, “operational performances and organizational capability”, “capability to attract talents and cultivate personnel”, “financial capability”, “capability to utilize technology and information to increase competitiveness”, “ long-term investment value”, “cross-border operational capability”, and “corporate social responsibility”.

Stuart Crainer& Des Dearlove (2014) there is not a one-size-fits-all model of success for any corporates in the world. Which strategy can bring success to an enterprise depends on the economic environment where the enterprise is at that time. The radical level of a strategy should consider with the variant level of the environment

Profitability and core competitiveness are both requisite for an enterprise to survive and stay sustainable in a competitive and variant environment. Besides, more than one competitive advantage and smart business model behind smart strategic models are also necessary. Similarity,in the book of “Thinkers 50 Strategy”C.K.Prahalad& Gary Hamel(2014) also reflected on strategies from resource-based perspectives, such as strategic positioning and external environment theories. However, the strategies proposed by future-oriented strategists are far more variant, and close the distance between the two strategies.

In the book of “Thinkers 50 Strategy”,Gary Hamel (2014) suggested that an enterprise should think in different ways. Instead of being limited to one individual enterprise, an enterprise should think about how to integrate different capabilities in the world as a whole and make way for future strategic positioning and implementation.

C.K.Prahalad (2008) indicated that all ideals come down to a golden line and this invisible line is referred to as business popularity. In the book of “Thinkers 50 Strategy”, C.K.Prahalad(2014) was asked again about competitiveness. He pointed out that core competitiveness should be regarded as a concept. Corporate core competiveness is not from its managerial levels but its intellectual capital formed by its ordinary employees and technical community. Basically, intellectual capital is very important to the success of a company.

The importance of general people and their added value should not be underestimated. The SAS Institute Incconcept that corporate core competiveness is not derived from its managerial levels has been widely accepted. Its key is to work together and solve problems collectively, not

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individually.

Nowadays, the aim of an enterprise is to construct a happy enterprise. To make this happen and create a win-win situation, an enterprise has to construct the sense of happiness and integrate it with its social responsibility. Innovation is the key to success. For SAS Institute Inc, innovation comes from the creativity and knowledge of its employees. In the highly competitive software industry, the turnover rate usually exceeds 20 percent. However, the turnover rate in SAS Institute Inc is lower than three percent. The main reason is thatoffers complete care to its employees, including child's education, health, entertainment and retirement. SAS Institute Inc, business grows each year because its policies make its employees feel happy, motivate them to work harder and perform better.

Rumelt (2011) suggested that only one competitive advantage alone can't ensure an enterprise to be profitable or rich. In fact, there is a fluid connection between competitive advantage and fortune. Fortune grows when competitive edge increases or when the fundamental resources required for enhancing competitive edge increase. When the value of a strategy grows, fortune also grows, especially when the company can deepen and expand its competitive advantages, create more superior products and services on the market, identify its segmentation, and possess resources which its competitors cannot copy or duplicate easily.

effects of decision-making in strategic cost management on corporate competitiveness because previous research on strategic cost management was mainly case studies and interviews were used for individual enterprises, not for a whole industry. In addition, none of the instruments of the previous studies was a questionnaire. They also did not address on the power and empowerment of decision-making in strategic cost management or the correlation between the decision-making and corporate competitiveness.

The subjects of this study were the bicycle industry, and machinery and equipment manufacturing industry mainly, and other industries. The study investigated how those enterprises made their decisions on strategic cost management. It also evaluated how the power of decision-marking in strategic cost management by the headquarters itself, the overseas subsidiary alone, or either unit individually, affects corporate competitiveness. The variables and framework of this study can be shown in figure 1.

FIGURE 1
The variables and framework

Three tools were used for strategic cost management analysis in past studies and they were closely related. First, the cost value chain structure and the positioning of the enterprise in its industry value chain was investigated and then a comparison analysis about the strengths and weaknesses in the value chain with its competitors was made. After that, any possible cost drivers that might affect the enterprise value chain were analyzed, including structural and executive cost drivers. With the combination results of the two analyses, competitive strategies for positioning, either cost-oriented or differentiation-oriented, would be determined.

However, the same order above does not apply to modern strategic cost management because the development of the Internet technology has made the world a network without borders and has changed the approaches to enterprise management with its growth. As the literature suggested, during the starting period of a Taiwanese enterprise, its boss makes decisions based on his/her instincts. The advantage is that the decisions can be changed at any time while the disadvantages are that there is not a rule to follow and there is no continuity. Consequently, the scale of an enterprise is determined by the intelligence of the boss.

After an enterprise grows, the continuity and consistency of a policy execution becomes important. Therefore, a comprehensive management system is imperative for a large company. An enterprise creates its value by a series of activities. Its internal organization develops its organizational ability from its management system. Whether its organizational ability can pass the tests and generate performances replies on how well its policies are executed in a competitive environment.

The purpose of this study was to investigate the decision-making unit of an enterprise, the headquarters itself, the overseas subsidiary alone, or either unit respectively, in strategic cost management, and how this affected corporate competitiveness. This is closely related to how the strategic cost management is implemented and how implementation affects corporate competitiveness. Based on the literature review and the analysis proposed by abovementioned researchers, the hypotheses of this study were addressed below:

H1: A positive correlation will exist in corporate competitiveness when the strategic cost management decision is made by the headquarters of a company.

H2: A positive correlation will exist in corporate competitiveness when the decision is made by its overseas subsidiary of the company

H3: A positive correlation will exist between in corporate competitiveness when the decision can is made by either its headquarters or overseas subsidiary of the company respectively.

3. METHOD

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3.1 Methodology and Data Analyses

The instrument used for data collection in this study was a questionnaire. The subjects were the managerial staff in the headquarters of the Taiwanese enterprises with overseas subsidiaries and their overseas subsidiaries.

Accounting for 60.4 percent, most Taiwanese companies have been in operation for 25 years. While the least number of companies are those which have lasted for less than 10 years, there is an average distribution in the companies which have lasted for 10 to 15, 16 to 20 and 21 to 25 years periods.

Most overseas subsidiaries have lasted 25 years, which takes up 90 percent of the total.

All statistics were computed by the SPSS. The reliability was assessed by Cronbach's *alpha* coefficient and the reliability coefficient was 0.925. The correlation analysis among corporate competitive variables was analyzed by Person Product-moment correlation coefficient.

4. RESULTS

H1: A positive correlation will exist in corporate competitiveness when the strategic cost management decision is made by the headquarters of a company.

TABLE 1

Correlation Analysis of Competitiveness When Decision on Strategic Cost Management Made by Headquarters

Variable	Corporate Competitiveness	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1.	Visionary capability	1.00									
2.	Innovative capability	0.54 **	1.00								
3.	Customer-oriented products and services	0.48 **	0.23	1.00							
4.	Operational performance and organizational capability	0.49 **	0.12	0.70 **	1.00						
5.	Capability to attract talents and cultivate personnel	0.56 *	0.22	0.55 **	0.71 **	1.00					
6.	Financial capability	0.56 **	0.46 **	0.55 **	0.65 **	0.53 **	1.00				
7.	Capability to utilize communication and technology to increase competitiveness	0.41 **	0.09	0.34 *	0.62 **	0.71 **	0.52 **	1.00			
8.	Cross-border operational capability	0.48 **	0.39 **	0.60 **	0.72 **	0.76 **	0.61 **	0.64 **	1.00		
9.	Long-term investment value	0.68 **	0.42 **	0.64 **	0.66 **	0.64 **	0.70 **	0.50 **	0.71 **	1.00	
10.	Social responsibility	0.25	0.39 **	0.24	0.40 **	0.40 **	0.47 **	0.40 **	0.51 **	0.45 **	1.00

* *P*< .05
** *P*< .01

As shown in Table 1, among the 10 variables for corporate competitiveness, a positive correlation existed in "financial capability", "cross-border operational capability" and "long-term investment value".

As described in the introduction of this study, the main reason why there was not a significance in other variables is that most Taiwanese companies focus on OEM and ODM business and most critical technology is controlled by foreign business.

Consequently, a significance did not exist in other variables, including "innovative capability", "customer-oriented products and services", "operational performance", "ability to attract talents and cultivate personnel", and "capability to utilize communication and technology to increase competitiveness". In my 20 years of work experience in a Taiwaneseaccounting firm serving medium and small size companies in central Taiwan, for the majority of Taiwanese companies with overseas subsidiaries, the decision-making in strategic cost management was awarded to their overseas subsidiaries. However, some decisions regarding their finance, cross-border operational capability and projects with long-term investment value were still made by their headquarters. As the characteristic of the Chinese are not visionary and innovative, the result also showed that no positive correlation existed in "visionary capability" and "innovative capability".

Not surprisingly, there was no significance in "taking corporate social responsibility". It's main focus for enterprises to create a win-win situation by pursuing happiness and social responsibility. However, most Taiwanese or Chinese enterprises have long deemed it its intimate goal to seek profitability for their shareholders, instead. Luckily, few Taiwanese enterprises have been aware of this.

H2: A positive correlation will exist in corporate competitiveness when the strategic cost management decision is made by its overseas subsidiary of the company.

TABLE 2

Correlation Analysis of Competitiveness When Decision on Strategic Cost Management Made by Overseas Subsidiaries

Variable	Corporate Competitiveness	1.	2.	3.	4.	5.	6.	7.	8.	9.	10
1.	Visionary capability	1.00									
2.	Innovative capability	0.81 **	1.00								
3.	Customer oriented products and services	0.76 **	0.86 **	1.00							
4.	Operational performance and organizational capability	0.75 **	0.66 **	0.60 **	1.00						
5.	Capability to attract talents and cultivate personnel	0.64 **	0.48 *	0.38	0.87 **	1.00					
6.	Financial capability	0.67 **	0.59 **	0.43	0.84 **	0.87 **	1.00				
7.	Capability to utilize communication and technology to increase competitiveness	0.70 **	0.65 **	0.52 *	0.70 **	0.66 **	0.67 **	1.00			
8.	Cross-border operational capability	0.61 **	0.67 **	0.47 *	0.61 **	0.71 **	0.63 **	0.83 **	1.00		
9.	Long-term investment value	0.74 **	0.74 **	0.65 **	0.74 **	0.65 **	0.78 **	0.65 **	0.70 **	1.00	
10.	Social responsibility	0.58 **	0.80 **	0.50 *	0.58 **	0.48 *	0.58 **	0.69 **	0.75 **	0.68 **	1.00

* *P*< .05
** *P*< .01

As shown in Table 2, among the 10 variables for corporate competitiveness, a positive correlation existed in "visionary capability", "innovative capability", "operational performance and organizational capability", "capability to utilize communication and technology to increase competitiveness", "cross-border operational capability", "long-term investment value" and "corporate social responsibility". No positive correlation existed in "customer-oriented products and services", "capability to attract talents and cultivate personnel" and "financial capability". In the experience of the author, among the Taiwanese enterprises whose decision-making power in strategic cost management goes to their overseas subsidiaries, most of their foreign customers are usually approached by the headquarters or trusted top-level managers stationed in their overseas subsidiaries. Therefore, it makes sense that no positive correlation existed in "customer-oriented products and services". Besides that, the headquarters also control product development and personnel training, and finance is usually handled by the insiders of the companies due to Chinese characteristics. As a result, the result that no positive correlation existed in either of the two variables also supported the hypothesis.

H3: A positive correlation will exist in corporate competitiveness when the strategic cost management decision is made by either its overseas subsidiary or headquarters of the company.

TABLE 3

Correlation Analysis of Competitiveness When Decision on Strategic Cost Management Made by Either Headquarters or Overseas Subsidiaries Respectively

Variable	Corporate Competitiveness	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1.	Visionary capability	1.00									
2.	Innovative capability	0.92 **	1.00								
3.	Customer-oriented products and services	0.67 **	0.80 **	1.00							
4.	Operational performance and organizational capability	0.79 **	0.70 **	0.74 **	1.00						
5.	Capability to attract talents and cultivate personnel	0.47 *	0.41	0.38	0.44 *	1.00					
6.	Financial capability	0.34	0.32	0.38	0.41	0.83 **	1.00				
7.	Capability to utilize communication and technology to increase competitiveness	0.69 **	0.61 **	0.41	0.51 *	0.73 **	0.62 **	1.00			
8.	Cross-border operational capability	0.59 **	0.52 *	0.49 *	0.55 **	0.82 **	0.52 *	0.78 **	1.00		
9.	Long-term investment value	0.78 **	0.68 **	0.56 **	0.66 **	0.78 **	0.68 **	0.77 **	0.79 **	1.00	
10.	Social responsibility	0.65 **	0.62 **	0.56 **	0.66 **	0.59 **	0.56 **	0.55 **	0.52 *	0.85 **	1.00

* $P< .05$
** $P< .01$

As shown in Table 3, among the 10 variables for corporate competitiveness, a positive correlation existed in "cross-border operational capability", "long-term investment value", and "corporate social responsibility".

The main reason why no positive correlation existed in some of the variables in this hypothesis is that there was not a significant difference shown in the result when all policies were made by either the headquarters or its subsidiaries of the companies individually. This also results from the characteristics of Taiwanese companies that finance, customer management, research and development, personnel training are all controlled by the headquarters. The result also supported the hypothesis of this research.

4.1 SUMMARY

Hypotheses	Verification
H1：A positive correlation will exist in corporate competitiveness when the strategic cost management decision is made by the headquarters of a company.	**Supported**
H2: A positive correlation will exist in corporate competitiveness when the decision is made by its overseas subsidiary of the company	**Supported**
H3：A positive correlation will exist between in corporate competitiveness when the decision can is made by either its headquarters or its overseas subsidiary of the company respectively.	**Supported**

Even if the results of the three decision-making modes supported the hypotheses and positive correlations existed in some variables for corporate competitiveness, the levels of the three correlations differed. The significance of the 10 variables suggested that some variables played a significant role in a particular industry even when the strategic cost management decision was made by the same entity under the same hypothesis. In other words, the result can facilitate enterprises to make a better decision by observing the significance of each variable.

Although this study didn't assign a weight to each indicator, this result can be further applied to solving problems. For example, while a production-oriented enterprise usually values its production capability more and a service-oriented enterprise places more importance on its customer management levels, the weights of "production capability" and "customer-oriented products and services" can be added respectively. However, how to assign the weight and weight value to each indicator can be determined by the strategic cost management decision-maker of each company based on the result of the study.

Not enough existing literature has supported the result of this study. More interviews and field research should be done in the future to support this study. However, in the years of work experience of the author in an accounting firm with major customers in the bicycle industry, how they make their decisions in strategic cost management correspond to the result of this study.

In a talk about "employee devotion and recognition" among Stuart Crainer and Des Dearlove, the writers of Thinker 50 Management: Cutting-Edge Thinking to Engage and Motivate Your Employees for Success(2014), and the co-author of Competing for the Future with C.K. Prahald, Gary Hamel exuded his passion about change. He pointed out some rules of obtaining devotion and recognition from employees as follows.

More things should be improved before employee devotion can grow. First, significantly lower the fear inside an organization. Secondly, remove politicized policies. Instead of a result of political struggles, a decision should be deemed a collection of creativity by the employees. To build a democratic and transparent environment, no messages should be concealed or used as a political weapon. In addition, an enterprise should make efforts to inspire true potential of its employees and reduce hierarchical power operation.

In current economic conditions, competition should not be like fighting for a pie. What should be done is to enlarge the pie and make an enterprise sustainable.

5. CONCLUSION

As stated in the introduction of this study, as most Taiwanese companies focus on OEM and ODM business and most critical technology is controlled by foreign business, their existence value can be replaced easily in a industrial value chain. To stay competition, they have to excel their supply chain management capability, and respond to more demanding requests by their customers, including better production, better supply chain management and fast delivery time, and logistics. As "innovative capability" is dominated by customers, no positive correlation existed in this element among the 10 indicators of corporate competitiveness. In addition, due to the characteristics of the Chinese, including recognition, mentality, social competence, political power, and anthropology, a positive correlation existed in none of the variables, including "customer-oriented products and services"and "financial capability", "innovative capability", "operational and organizational capability", "capability to attractive talents", "capability to unitize technology and communication", "visionary capability", and "corporate social responsibility".

Why did the result support all the three hypotheses? The majority of the subjects of this study were the bicycle industry. Consequently, those enterprises have the best competitiveness, followed by those enterprises whose decisions are made by either the headquarters or their subsidiaries, and those enterprises whose decision are made by their headquarters alone. Taiwanese bicycle manufacturers have successfully demonstrated their research and development capability and received high acclaim for their introductions to their new products in world-wide exhibitions.Taiwan has become home to professional manufacturers and suppliers of bicycle and bicycle parts. The products launched in exhibitions yearly made the participants realize that even a small bicycle part can enhance the effectiveness and become the key to winning championship in a competition.

In the face of price wars, the contingency plan of the bicycle industry in Taiwan is to develop their own brands and form a strategic alliance to maintain their own corporate sustainability and competitiveness. For the machinery and equipment manufacturing industry, its future will be influenced mainly by economic development and trend. In the face of more fierce competitions, strategic cost management would be the key to its survival and competitive enhancement.

6. FINDINGS

Firstly, unlike a case study seen in most literature review, this study was a breakthrough that the subjects of this study was the whole industries. In this study, a questionnaire was used for data collection to analyze the relationship between the power of decision-making in strategic management and corporate competitiveness and a framework was proposed accordingly for the reference of Taiwanese enterprises.

Secondly, unlike incomplete discussion in most literature review regarding the effects of the power of decision-making in strategic management on corporate competitiveness, a questionnaire was used for this study to collect preliminary result from the bicycle industry, machinery industry and high-level managers in other industries. Mainly focusing on the two industries, the result of this study can provide some insight for professionals in the management, academic and pragmatic fields and pave way for future studies.

Finally, as it is different to manage a small and medium enterprise from other large enterprise, and small and medium enterprises have made a contribution to Taiwan's economy, there is a need to have a study on small and medium enterprises. Although this study did not cover all Taiwanese small and medium enterprises, the subjects were mainly small and medium enterprises in central Taiwan, the result still can provide some insight into how to make strategic cost management policies for all the Taiwanese small and medium enterprises.

Hopefully, to help bring Taiwanese small and medium enterprises to another level, more future studies on the strategic cost management models of Taiwanese small and medium enterprises can be carried out and more understanding and emphasis on this field can be obtained from the academic and industries.

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