

Finally, we move on to the specifics of doing business in East Asian countries. In China any important business meeting should be planned and discussed several months in advance. Negotiating with the Chinese is not easy: they are very pragmatic and stand their ground without accepting arguments. Cheating in business is not considered shameful and is even encouraged. The Japanese during negotiations demonstrate a certain degree of suspicion. Everything you say will be taken literally, so you shouldn't joke. The gesture of shaking hands as a greeting may seem strange to them. Bowing will be enough. It is also very important for Japanese entrepreneurs to exchange gifts with a business partner. Before accepting a gift, you must refuse it twice, this is a sign of good manners. Presentations with graphs and accurate data make a great impression on them.

This research shows that the majority of company executives with experience in developing foreign markets believe that the quality of international communication affects profit of business activity in any country.

To conclude, we would like to say that differences in cultural traditions, norms of corporate behavior and languages are three main serious barriers to the development of foreign markets. They can be overcome, if you show sincere interest and attention. In this case your global business ties will strengthen.

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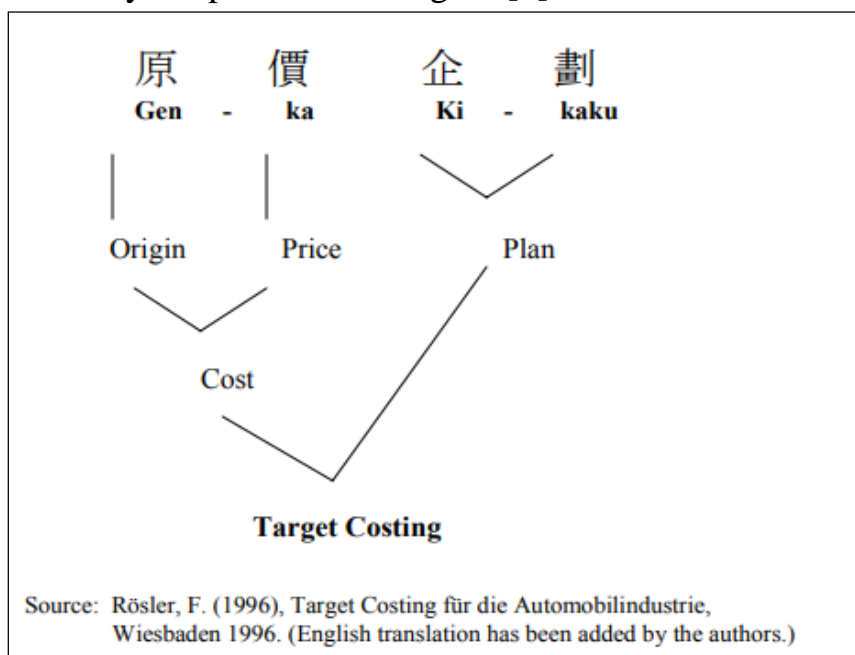
TARGET COSTING: HISTORY AND DEFINITION

Target costing: история и определение

The notion of target costing has been studied and applied in marketing for a long time. This concept is successfully applied in foreign firms.

The end product costing approach is first mentioned in the early 20th century in Portage in America and in Germany in the 1930s. However, it was not until after the Second World War during the period of shortages that the target costing approach emerged. In America, they developed a concept known as "value engineering", which was to simultaneously increase the attractive features of a product and reduce the cost. Later, Japanese companies began to apply this concept to compete more successfully in the domestic market. The concept, known as "genka kikaku", was first applied in Japan in 1963 at Toyota Motor Corporation, although it was not described in the literature until 1978. Subsequently, "genka kikaku" was renamed "target costing", a term that is widely used by marketers today. In 1996, Resler carried out a

study to find out the origin of the term "target costing" from Japanese vernaculars. The results of his study are presented in Figure [1].



The origin of the term target costing [1]

Target costing can help businesses solve these problems and plan a line of profitable products. It is a profit planning and cost management concept that focuses on products (services) with discrete production processes. The goal of the concept is to reduce actual costs to target values. This concept does not aim to reduce costs at the production stage of an already manufactured product, it aims to project the costs of a product without the product at the research, development and design stage. A company uses target costing when the company wants to set a price for products that will make a profit. Target costing is also used when a company needs to go through a cost planning and cost management process to plan and calculate costs in the initial stages of product development. A company can also use target costing to practice cost reduction techniques. For many years this concept has been successfully implemented abroad. In our companies it is known but not used. In many Belarusian companies, marketing departments are responsible only for selling finished products; it is necessary to implement target costing for efficient production and sales.

References

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