

Foreword

The costs associated with service provision are often problematic especially in areas where there is significant pressure on pricing. With a growing emphasis on outcomes pricing, the need to understand and control the costs that arise is paramount. Service companies often have high overheads and traditional costing methodologies are not providing adequate solutions in an outcomes based environment. In using a value chain analysis approach this thesis offers an insight into a more efficient method of dealing with the real costs of a project.

The core of the content after a brief examination of the traditional costing models relates to the use of value chain analysis in providing a systemic evaluation for the allocation of costs as applied to management consultancy. The result is a proposed hybrid model-costing model for a service business which can enhance practice and provides a potential methodology that is adaptable across other service providers. A clearer understanding of costs is essential today and the process suggested offers a thoughtful route through this important aspect of a service business.

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