

Topic- Action for Achieving Cost Leadership Strategies

- Accurate demand forecasting and high-capacity utilisation is necessary to realise the cost advantage. Attaining economies of scale to reduce the per unit cost of the products and services by maintaining tight control over production and overhead costs and minimising the cost of sales, research and development and service.
- Creating a high level of standardisation of products and offering uniform service packages using mass production techniques to yield low per unit costs.
- Aiming at the average customer makes it possible to offer a generalised set of utilities in the products and services to cover a greater number of customers.
- Investments in cost-saving technologies to make the product and services competitive in the market. Withholding differentiation till it becomes necessary to find another way for realising cost-based competitiveness.
- Building efficient facilities so that it becomes costly for the competitors to imitate.
- High level of expertise in manufacturing process engineering.
- Skill in designing products for efficient manufacturing. Efficient distribution channels of the organizations.