



ANALYSIS OF SPECIFIC COSTS BASED ON ACTIVITIES AND ITS ROLE IN IMPLEMENTING THE DIFFERENTIATION STRATEGY (AN APPLIED STUDY IN THE DIWANIYAH TIRE FACTORY)

Donya Jasim Sahib

donya.sahib@qu.edu.iq

University Al Qadisiyah, Ministry of Higher Education & Scientific Research

Article history:	Abstract:
<p>Received: 1st October 2022 Accepted: 4th November 2022 Published: 6th December 2022</p>	<p>The research aims to analyze the qualitative costs based on the activities represented by each of the costs of prevention, evaluation, internal failure and external failure in terms of improving performance efficiency and improving product and process quality in a way that can help implement the differentiation strategy efficiently and effectively in line with the requirements of the contemporary industrial environment. The research was applied in the Diwaniyah tire factory, which is one of the factories affiliated to the General Company for Rubber Industries and Tires, for the data of the year 2016. Specific costs were analyzed on the basis of activities in this factory, as the current research reached a set of conclusions, the most important of which was that the analysis of specific costs on the basis of activities to the costs of prevention, evaluation, internal failure and external failure can help the research sample factory in implementing the differentiation strategy efficiently and effectively In a manner consistent with the developments and changes that accompanied the contemporary industrial environment.</p>

Keywords:

INTRODUCTION:

In light of the changes in the contemporary business environment, economic units have to face these changes and adapt to them by implementing strategies that help these units achieve their goals with high efficiency. Therefore, these units must pay attention to measuring and analyzing specific costs according to activities, as well as paying attention to the continuous improvement of the quality of operations and products, and reducing the costs of failure of both types, internal and external. The name of the qualitative costs, as these costs constitute a significant proportion compared to the costs of the total service, and determining these costs will enable the management of the economic unit to identify the costs that have been spent on quality efforts as well as the costs related to poor achievement of the required quality and the size of these costs in comparison to the size of total costs, Which helps the management of the economic unit in evaluating the current level of quality, planning for quality development, addressing weaknesses, making the necessary decisions, as well as implementing the differentiation strategy with high efficiency.

THE FIRST TOPIC: RESEARCH METHODOLOGY

1-1 Research problem:

The problem of the current research lies in the lack of interest of economic units in measuring specific costs and not analyzing them on the basis of activities, due to the lack of knowledge of these units of the relationship between specific costs and the implementation of the differentiation strategy through which it is possible to adapt to the requirements of the contemporary business environment. The research problem can be clarified by asking: Is the analysis of specific costs based on activities can help in the implementation of the differentiation strategy efficiently?.

1-2 The importance of the research:

The importance of the research comes from the importance of qualitative costs and their analysis on the basis of activities that can be divided into four types, which are prevention costs, evaluation costs, internal failure costs, and external failure costs. The economy in a manner commensurate with the requirements of the contemporary business environment through improving the efficiency of performance and attracting customers by meeting their needs and requirements.



1-3 Research objectives:

The research aims to analyze the qualitative costs based on the activities represented by each of the costs of prevention, evaluation, internal failure and external failure in terms of improving performance efficiency and improving product and process quality in a way that can help implement the differentiation strategy efficiently and effectively in line with the requirements of the contemporary industrial environment.

1-4 Research hypothesis:

The hypothesis of the research is as follows: (The analysis of specific costs based on activities can help economic units to implement the differentiation strategy effectively).

1-5 Research sample community:

The research community is represented by companies specialized in rubber industries, either the research sample is represented by the Diwanayah tire factory, for the data of the fiscal year 2016, due to the need for the factory to implement the differentiation strategy, as well as the factory's failure to analyze the specific costs on the basis of activities, which led to the factory stopping work after this date.

THE SECOND TOPIC: THE THEORETICAL SIDE OF THE RESEARCH

2-1 The concept and importance of specific costs:

Specific costs are seen as the costs that occur to prevent the production of defective products or low-quality products in order to help meet the desires, needs and expectations of customers and better than what competitors offer (Horngren, et.al, 2018:661).

Specific costs are the costs associated with quality assurance and guarantee, in addition to the losses that occur as a result of poor products, in order to help the economic unit in producing products that are consistent with the needs of customers, and on the other hand, the economic unit must maintain and continuously improve quality (Koelmans, 2014:26).

Specific costs are also seen as the costs related to quality assurance, in addition to the losses incurred in the event that the required quality is not achieved. These costs aim to maintain and develop the quality of products, prevent defective production, discover and repair them for the purpose of establishing a certain level of quality and addressing failure (Tansey, et.al. 2012:177).

The importance of specific costs comes through helping to determine the material importance of quality, as the specific costs are integrated with the costs of other departments in the economic unit, and they are not calculated through the costing system, where the managers are amazed when the accounting

disclosure of the specific costs is presented to them for the first time (Chiu- Wei, 2010:53).

Interest in specific costs emerged as a result of poor quality and its negative effects, as well as the need to avoid these effects by producing high-quality products and reducing the defective to the lowest possible level. (2009:497).

The qualitative costs do not relate to industrial operations only, but extend to all activities in the economic unit, starting from research and development to customer service, as the economic units spend approximately (20%-30%) of the total manufacturing costs on quality, which is related to prevention and evaluation operations, and failure detection and repair operations. In order to provide products of the required quality to customers and to meet their requirements (Atkinson, et.al, 2007:201).

In addition, qualitative costs help determine the relative importance of quality problems, for example, it may appear that scrap and guarantee costs represent an important quality problem, and this information directs the management's attention towards areas that need attention (Drury, 2008:176).

2-2 Analysis of specific costs based on activities:

In order to analyze the specific costs on the basis of activities, it is necessary to identify the activities related to quality through which the quality of each of the products of the economic unit can be maintained, and many researchers have indicated that there are four activities of quality, which are prevention, evaluation, internal failure and external failure. Activities through the following:

1. **The costs of prevention activities:** They are the costs that the economic unit spends to keep the costs of evaluation and failure as low as possible, in addition to reducing the specific costs and maintaining high quality to avoid the occurrence of quality problems. This is the goal of prevention costs, as these costs relate to activities that reduce or It excludes the production of defective products or the provision of service below the required level (Krajewski, et.al, 2012:176).
2. **The costs of evaluation activities:** These are the costs related to discovering products that do not conform to standard and normative specifications. Therefore, evaluation costs must be spent, which represent the costs of maintaining the level of quality through various means of evaluation of product quality, or they are the costs of examination and testing in order to ensure that the process or product is acceptable in terms of conformity with the specified quality standards in order to meet the needs of customers and provide



products that are compatible with their expectations (Chase, et.al, 2001:269).

3. **The costs of internal failure activities:** These are the costs that occur when the product does not conform to its design specifications, and that these costs disappear in the absence of defects in the product before it is shipped to the customer, and these costs are related to the defect that occurs within the economic unit (Horngren, et al, 2018:662).
4. **The costs of external failure activities:** These are the costs that occur in the event that the customer receives a product that does not conform to the specifications through which his needs and expectations can be met, and since these costs arise after the customer receives the product, they are related to his service, and thus they are the costs that arise when the product is defective. It has been delivered to the customer in order to fix the product and make it conform to the customer's needs (Edmonds, et al, 2008:258).

Accordingly, the analysis of specific costs on the basis of activities requires identifying the main activities of quality in addition to defining its constituent sub-activities. Then the costs associated with each of these activities are determined, with the need to separate the costs of internal failure from the costs of external failure, because failure to separate them will lead to failure to benefit from the information provided by these costs in the required manner, as the costs of external failure are the most influential on the reputation of the economic unit and its sales. and its market share (Chiu-Wei, 2010:54).

2-3 Concept and importance of differentiation strategy:

The differentiation strategy is seen as a competitive approach in markets whose customers are not sensitive to prices, who seek to pay higher prices to obtain distinctive products that can agree with their tastes. Which requires carrying out a set of activities and activities aimed at producing unique products with distinctive characteristics desired by customers and superior to what competitors offer, which helps the economic unit to achieve competitive advantage because the customer is willing to pay higher prices to obtain these products (Wairon, et. al., 2018:12).

The differentiation strategy can help achieve competitive advantage by focusing on the quality and time of design and manufacturing, in addition to providing products that meet the needs, desires and requirements of customers in terms of performance and quality. This strategy helps reduce customer sensitivity to prices, and thus the company can achieve a competitive advantage that helps it improve

indicators of both market share and profitability (Krajewski, et.al, 2012:176).

The differentiation strategy helps the economic unit to increase its market share if it is based on quality as a competitive strategy that can help maintain the levels of quality desired by customers. Therefore, improving quality has positive effects on both market share and profitability. On the other hand, the differentiation strategy The economic unit helps pass prices on to customers by reducing their sensitivity towards them, as a result of the distinction of the products offered to those customers (Poprom, et.al., 2015:172).

The differentiation strategy helps in increasing the perceived value of the customer and thus obtaining his satisfaction and loyalty to the economic unit, including: focusing on the quality of product design so that it can be compatible with the customer's use, using high-quality raw materials or selling the product in a special way that suits the needs and requirements of the customer (Wairon, et al. , 2018:12).

The economic unit can build a competitive advantage through the differentiation strategy by making customers more loyal and loyal to this unit, as a result of their insensitivity to prices and their satisfaction with the economic unit and its products, which reduces the possibility of them searching for other alternative products, and it also requires continuous improvement processes for the performance of this unit (Paulo, et.al., 2012: 334).

2-4 Implementation of the differentiation strategy using specific costs:

In order to implement the differentiation strategy using specific costs, it is necessary to identify the problems that economic units suffer from by evaluating the performance of these units to diagnose the current situation and relying on a set of financial and non-financial indicators. in its entirety (Poprom, et.al., 2015:172).

As the economic units need to apply cost accounting systems to determine the costs of specific costs with high accuracy to provide management with the necessary information, especially information related to quality and its costs, where specific costs help in implementing the differentiation strategy through the following: (Mustafa, 2017: 53), (McEwan, 2018:22)

1. Excellence in the quality of the product through its conformity with the specifications and standards set, as well as suitability for the customer's use and harmony with his expectations.
2. Delivering the product to the customer at the time he prefers, while providing all required services with regard to spare materials and maintenance and repair requirements.



- The product of the economic unit should be distinguished from the products of competitors in terms of performance, reliability, and the degree of conformity with the specified engineering and technical specifications.

One of the most important problems that impede the process of implementing the differentiation strategy is the lack of appropriate tools to measure the quality of the different aspects of the activity. Providing a product that reduces potential environmental losses, and distinguishing these products in line with the needs, desires, and requirements of customers to build a competitive advantage (Sower, et.al., 2018:22).

The implementation of the differentiation strategy by analyzing the specific costs on the basis of activities requires the provision of maintenance and sustainability of multiple resources in the environment to meet the social and economic needs of the current people and their management in technology while ensuring the continuity of resources for the well-being of generations in the near and distant future (Abbas, 2010: 19).

As the adoption of this strategy and business activities that meet the needs of the project and its stakeholders today while protecting human and natural resources, sustainable development is based on four main dimensions, and the relationship between specific costs and each of these dimensions can be clarified by maximizing the welfare of society and taking into account Environmental balance in the long term and work to avoid harming environmental resources in the near and long future. As well as preserving material and biological resources, such as the optimal use of agricultural lands and water resources in the world, and they are preserved through the protection of natural resources (Abdul Majeed, 2016: 23).

The third topic: the applied side of the research
3-1 An introductory brief about the Diwaniyah Tires Factory:

Al-Diwaniyah Tires Factory is located in Al-Diwaniyah Governorate. The total area of the factory is 227,500

Schedule (1) : Costs of blocking activities at Diwaniyah Tire Factory

No.	Activities	Costs	Percentage
1	Preventive maintenance activity	15178014000	%32.022
2	Quality control activity and quality control	32220594000	%67.978
3	The total	47398608000	%100
		15178014000	%32.022

Source: Prepared by the researcher based on the factory records, the research sample.

It was found through the above table that the costs of the preventive maintenance activity were in the amount of (15178014000) dinars, while the costs of the activity of quality control and quality control were

square meters. This factory produces wire-type tires. The factory contains an integrated infrastructure of sewage water networks, pure water networks, fire networks, and electricity. The factory has administrative buildings, production halls, industrial service halls, and warehouses. There is also a substation with a capacity of (15 megawatts) that supplies our factory with electric power. This factory was chosen as a sample for research for several reasons, the most important of which is the factory's need to use modern technologies in order to improve both performance and quality as well as reducing unnecessary and unjustified costs. The factory also has administrative, accounting, engineering and technical cadres, which makes this factory a suitable place for applying modern technologies, in addition to the factory being exposed to intense competition by competing foreign products offered in the local market.

3-2 Analysis of specific costs based on activities in the Diwaniyah tire factory and its use in implementing the differentiation strategy:

In order to analyze the specific costs on the basis of activities and their use in implementing the differentiation strategy in the Diwaniyah tire factory, it is necessary to identify the main activities related to quality, which are the activities of prevention, evaluation, internal failure and external failure, identifying related sub-activities as well as determining the costs associated with them, which can be clarified through the following: -

First: The costs of prevention activities: The prevention activities at the Diwaniyah tire factory consist of two activities, which are the preventive maintenance activity and the activity of quality control and quality control. This costs that spends to keep the costs of evaluation and failure as low as possible, in addition to reducing the specific costs and maintaining high quality to avoid the occurrence of quality problems. The costs associated with these activities can be clarified through the following table:

in the amount of (32220594000) dinars, and thus the total costs of prevention in the factory, the research sample, were in the amount of (47398608000) dinars, as shown Through the above table, the costs of the



activity of quality control and quality control have obtained the highest percentage, amounting to (67.978%), which indicates the administration's interest in preventing the production of non-conforming products.

Second: Costs of evaluation activities: The evaluation activities at the Diwaniyah tire factory

consist of five activities, which are the activity of checking raw materials, the activity of checking production under operation, the activity of checking finished production, the activity of calibrating testing equipment, and the activity of maintaining testing equipment. The costs associated with these activities can be clarified through the following table

Schedule (2) : Costs of appraisal activities at Diwaniyah tire factory

No.	Activities	Costs	Percentage
1	Raw material inspection activity	7127136000	%41.326
2	Production check activity in progress	6665922000	%38.651
3	Complete production inspection activity	419166000	%2.43
4	Test equipment calibration activity	350838000	%2.034
5	Test equipment maintenance activity	2683188000	%15.559
	The total	17246250000	%100

Source: Prepared by the researcher based on the factory records, the research sample.

It is noted from the above table that the costs of the activity of inspecting raw materials in the factory, the research sample, were in the amount of (7127136000) dinars, while the costs of the activity of checking the production under operation were in the amount of (6665922000) dinars, while the costs of the activity of checking the finished production were in the amount of (419,166000) dinars Also, the costs of the activity of calibrating the examination equipment were in the amount of (350,838,000) dinars, while the costs of the activity of maintaining the examination equipment were in the amount of (268,318,000) dinars, and thus the total costs of evaluation in the research sample factory were in the amount of (17246250000) dinars, and it is noted that the costs of the examination

activity The raw materials obtained the highest percentage of the total evaluation costs, amounting to (41.326%). This indicates the interest of the Diwaniyah tire factory management in examining the raw materials and ensuring that they comply with the specifications required to maintain the quality of the product.

Third: The costs of internal failure activities: The internal failure activities in the Diwaniyah tire factory consist of three activities, which are the damage treatment activity, the re-examination activity, and the failure analysis activity. The costs associated with these activities can be clarified through the following table:

Schedule (3) : Costs of internal failure activities at Diwaniyah Tire Factory

No.	Activities	Costs	Percentage
1	Damage treatment activity	64997010000	%58.472
2	re-examination activity	24527124000	%22.065
3	Failure analysis activity	21635010000	%19.463
	The total	111159144000	%100

Source: Prepared by the researcher based on the factory records, the research sample.

It is clear from the above table that the costs of the damage treatment activity were in the amount of (64997010000) dinars, while the costs of the re-examination activity were in the amount of (24527124000) dinars, while the costs of the failure analysis activity were in the amount of (21635010000) dinars, and thus the total costs of internal failure in The factory, the research sample, was in the amount of (111159144000) dinars, and it is clear from this table that the percentage of the costs of the damaged treatment activity to the total costs of external failure was (58.472%), which indicates the existence of an

internal defect during the research year, which requires reducing these costs to the lowest possible extent. The presence of these costs negatively affects the implementation of the differentiation strategy in the research sample factory because the defective units cannot meet the needs.

Fourth: The costs of external failure activities: The external failure activities in the Diwaniyah tire factory consist of two activities, which are the activity of dealing with defective products and the activity of handling customer complaints. The costs associated



with these activities can be clarified through the following table

Schedule (4) : Costs of external failure activities at Diwaniyah Tire Factory

No.	Activities	Costs	Percentage
1	Faulty products handling activity	2641140000	%22.579
2	Customer complaints handling activity	9056088000	%77.421
	The total	11697228000	%100

Source: Prepared by the researcher based on the factory records, the research sample.

It is noted through the above table that the costs of the defective product handling activity were in the amount of (264,114,000) dinars, while the costs of the activity of handling customer complaints were in the amount of (905,608,8000) dinars, and thus the total costs of external failure in the research sample factory were in the amount of (11697228000) dinars, as noted Through this table, the ratio of the activity costs of handling customer complaints to the total costs of external failure was (77.421%), which indicates the existence of an external defect that must be avoided early in order to help implement the

differentiation strategy as required, taking into account that the product reaches the customer with the highest possible quality in order to meet his needs and requirements.

After defining the main and sub-activities related to quality in its four categories represented by prevention activities, evaluation activities, internal failure activities and external failure activities, the specific costs can be analyzed on the basis of the activities in the Diwaniyah tire factory during the research year and the costs of each of them are determined, as shown in the following table

Schedule (5) : Specific cost analysis based on activities in Diwaniyah tire factory

No.	Activities	Costs	Percentage
1	prevention activities	47398608000	%25.279
2	Evaluation activities	17246250000	%9.198
3	internal failure activities	111159144000	%59.285
4	External failure activities	11697228000	%6.238
	Total specific costs	187501230000	%100

Source: Prepared by the researcher based on the factory records, the research sample.

It is clear from the above table that the costs of prevention and evaluation activities, internal failure and external failure were (47398608000), (17246250000), (111159144000), (11697228000) dinars, respectively, and thus the total qualitative costs in the research sample factory were in the amount of (187501230000) dinars, As shown by the above table, the percentage of the costs of prevention and evaluation activities, internal failure, and external failure to the total specific costs were (25.279%), (9.198%), (59.285%), and (6.238%), respectively, which indicates a high cost of internal failure. Therefore, efforts must be focused on reducing these costs and working on making the product the highest possible quality.

And when implementing the differentiation strategy in the research sample factory, it requires improving the quality of the product and the process, so a set of activities related to quality will be improved by focusing on activities that do not add value, and after deliberation with the engineers and technicians in the Diwaniyah tire factory, it became clear that there is a set of activities Which do not add value to both the factory and the customer. These activities are inspection activities, damage treatment activity, re-examination activity, and failure analysis activity. Specific costs can be reduced in the Diwaniyah tire factory as a result of implementing the differentiation strategy, as shown in the following table

Schedule (6) : Reducing specific costs in the Diwaniyah tire factory as a result of implementing the differentiation strategy

No.	Details	Cost before reduction	Percentage of reduction	Cost after reduction
1	Costs of screening activities	14212224000	%40	8527334400
2	Damage recovery activity	64997010000	%20	51997608000



	costs			
3	Re-examination activity costs	24527124000	%20	19621699200
4	Failure analysis activity costs	21635010	%20	17308008000
	The total	125371368000	-	97454649600

Source: Prepared by the researcher based on the factory records, the research sample.

It is clear from the above table that the costs of the inspection activities were before the reduction by the amount of (14212224000) dinars and after the reduction they became the amount of (8527334400) dinars, while the costs of the damaged treatment activity were before the reduction by the amount of (64997010000) dinars and after the reduction they became the amount of (51997608000) dinars, while The costs of the re-examination activity were, before the reduction, an amount of (24527124000) dinars, and after the reduction, they became an amount of (19621699200) dinars. As for the costs of the failure analysis activity, before the reduction, they amounted to (21635010) dinars, and after the reduction, they

became an amount of (17308008000) dinars. Accordingly, the analysis of qualitative costs based on the activities in the research sample led to improving the quality of the product and making it conform to the specifications and international standards related to the tire industry, Specific cost analysis based on activities helps in improving the quality of products, processes and services by eliminating the defective as well as getting rid of the activities that do not add value and that can be excluded without negatively affecting the quality, as well as helping to meet the needs of customers by making the product suitable for these needs. And after implementing the quality differentiation strategy, as shown in the following table

Schedule (7) : Comparison of engineering and technical specifications before and after the implementation of the quality differentiation strategy

No.	The details	Engineering and technical specifications before implementing the differentiation strategy	Engineering and technical specifications after implementing the differentiation strategy
1	Vehicle Type	carry car	carry car
2	Width of the tire section in millimeters	225 ml	215 ml
3	The ratio of the tire's wall height to width	90%	80%
4	Frame texture composition	4 layers	3 layers
5	Rim diameter in inches	280 inc	400 inc
6	pregnancy rate	4-6 tons	4-6 tons
7	Speed rate	140 km / h	140 km / h
8	load carrying capacity	The maximum pressure is 450 kg	The maximum pressure is 570 kg
9	The amount of rubber used in the tire	40 kg	36 kg
10	Load pressure (psi)	100 lbs/inc2	95 lbs/inc2
11	The number of layers of fabric	8 lbs/inc2	14 lbs/inc2
12	Rim width	12 inc	10 inc

Source: Prepared by the researcher based on the factory records, the research sample.

It is clear from the above table that the factory product, the research sample, is a wire tire intended for carrying cars, and the width of the tire section in millimeters before implementing the differentiation strategy was (225 mm) and after implementing this strategy (215 mm), and the ratio of the height of the tire wall to its width before implementation The differentiation strategy (90%) and after the

implementation of this strategy (80%). Either the composition of the tire fabric was before the implementation of the differentiation strategy (4 layers) and after the implementation of this strategy (3 layers), while the diameter of the rim (wheel) in inches was before the implementation of the strategy Differentiation (280 inches) and after the implementation of this strategy (400 inches). The load



rate before implementing the differentiation strategy was (4-6 tons) and after implementing this strategy (4-6 tons). As for the average speed, it was before implementing the differentiation strategy (140 km / o) After executing this strategy (140 km / h), The load capacity was before implementing the differentiation strategy (maximum pressure 450 kg) and after implementing this strategy (maximum pressure 570 kg). As for the amount of rubber used in the tire, it was before implementing the differentiation strategy (40 kg) and after implementing this strategy (36 kg), and the load pressure (lbs/in²) was before the implementation of the differentiation strategy (100 lbs/in²) and after the implementation of this strategy (95 lbs/in²), while the amount of tissue layers was before the implementation of the differentiation strategy (8 lbs/in²) and after the implementation of this strategy (14 lbs / inch 2), and finally, the rim width was before implementing the differentiation strategy (12 inches) and after implementing this strategy (12 inches), It is clear from the foregoing that the analysis of specific costs on the basis of activities and the exclusion of activities that do not add value has led to improving the quality of the product and thus assisting in the implementation of the differentiation strategy efficiently and effectively.

Accordingly, the research hypothesis has been proven, as it can be said that the analysis of specific costs on the basis of activities can help economic units in implementing the differentiation strategy effectively by improving the quality of the product and making it conform to specifications and standards, as well as helping to meet the needs of customers by making the product suitable for these needs.

The fourth topic: conclusions and recommendations

4-1 Conclusions:

1. There is a possibility of analyzing the specific costs in the economic unit of the research sample, where it was possible to divide the specific costs into four types according to the activities related to quality, which are prevention, evaluation and failure of both internal and external types.
2. Specific cost analysis based on activities helps in improving the quality of products, processes and services by eliminating the defective as well as getting rid of the activities that do not add value and that can be excluded without negatively affecting the quality.
3. The traditional cost systems cannot measure qualitative costs and analyze them according

to activities, which leads to failure to benefit from them as required.

4. The increase in costs related to the failure activities, whether internal or external, will negatively affect the quality of the product and thus the negative impact on customer satisfaction.
5. The differentiation strategy can be implemented by analyzing specific costs on the basis of activities through excellence in quality over competitors' products as well as maintaining the reputation of the economic unit and increasing its market share.

4-2 Recommendations:

1. The need to develop traditional cost systems and apply contemporary cost management techniques in a way that is commensurate with the requirements of the modern business environment.
2. Analyzing specific costs on the basis of activities and identifying quality problems accurately in order to provide products that are characterized by their conformity with established standards as well as which are suitable for customer use better than competitors.
3. The need for economic units to obtain the international quality certificate and to work on producing products that are consistent with the requirements of customers and consistent with their expectations, in order to obtain their satisfaction and feasts for the economic unit.
4. The need to include the goal of achieving quality and counting it as one of the main goals that the economic unit seeks to achieve, and to work to avoid the internal and external defect by doing everything right from the first time.
5. Implementing the differentiation strategy efficiently and effectively by relying on specific cost analysis based on activities depending on improving the quality of products and services.

REFERENCES:

1. Abdel-Majeed, Mohamed (2016), "Accounting Measurement and Disclosure of Specific Costs and Their Impact on Performance", Journal of Graduate Studies, Al-Neelain University, Volume (6), Issue (23).
2. Atkinson, Anthony A. , Banker, Rajiv D. , Kaplan, Robert S. & Young, S. Mark (2007), " Management Accounting ", 5th ed., Prentice-



- Hall Inc., Pearson Education International, USA .
3. Chase, Richard B. , Aquilano, Nicholas J. & Jacobs, F. Robert " (2001), *Operations Management From Competitive Advantage* ", 9th ed., McGraw-Hill Higher Education, New York .
 4. Chiu-Wei, Chaeng-Chu (2010), " Economic of Cost of Quality for Green Manufa-cturing Life Assesment Approach ", Doctorate's Thesis of Philosophy in Accounting, Texas University .
 5. Drury, Colin (2008), " *Management and Cost Accounting* " 7th ed., South-Western Engage Learning, London .
 6. Edmonds, Thomas P., Edmonds,Cindy D. & Tsay, Bor-Yi " (2008), *Fundamental Managerial Accounting* ", 4th ed., Irwin McGraw-Hill, USA .
 7. Hilton, Ronald W. (2009), " *Managerial Accounting : Creating Value in Dynamic Business Environment* ", 8th ed., Irwin McGraw-Hill, New York .
 8. Horngren, Charles T. , Dater, Srikant M. , Foster, George , Rajan, Madhav V. & Ittner, Christopher (2018), " *Cost Accounting : A Managerial Emphasis* ", 13th ed., Pearson Prentice-Hall, USA .
 9. Koelmans, R. G. (2014)," *Project Success and Performance Evaluation* ", <http://www.platinum.org> .
 10. Krajewski, Lee J. , Ritzman, Larry P. & Malhotra, Manoj K." (2012), *Operations Management : Processes and Supply Chains* ", 9th ed., Pearson Prentice Hall, Upper Saddle River, New Jersey .
 11. McEwan , Graftor N. (2018), " *Accountability And Performance Indicators For Mental Health Care Services And Supports* ", <http://www.health.gov.au>.
 12. Mostafa, Aouadi (2017), "Accounting Measurement of Specific Costs as an Introduction to Competitive Advantage", published in the Faculty of Economics and Management Sciences, Algeria.
 13. Paulo, Mauricio, Lucile, Maria de Souza, & Grzebiekas, Clack (2012), "Environmental Accounting and Environmental Costs: An Analysis Of The Scientific Production From 1996 to 2007" , *Journal of Produced*, Vol.(22), No.(2) , p p: (333-343).
 14. Poprom, Ubonsin , Thaiupathump, Choonhapong & Kitratporn, Preang (2015), " A performance Evaluation of Information and Communication Technology Management Using Balanced Scorecard ", *Journal of the Computer, Internet & Management*, Vol.(13), No.(3), pp(171-176) .
 15. Sower, Victor E. & Quarles, Ross (2017), " *Costs of Quality Usage and its Relationship to Quality Systems Maturity* ", *International Journal of Quality and Reliability Management*, Vol.(24), No.(2), , pp(121-140) .
 16. Tansey, R., Carroll, R. & Lin, Z. (2012), "On Measuring Cost of Quality Dimensions: An Exploratory Study in The People Republic of China", *International Business Review*, Vol.(1), No.(10), pp(175-195) .
 17. Wairon, E., Purine, B., & Hayne, N. U. (2018), "Analysis of ISO 14001 Implementation And Program Performance Assessment, *Accounting Journal*, Vol.(49), No.(9) .