

Lean Management Accounting

Simple Financial Reporting to Understand Your Lean Transformation



A two-day workshop for finance teams and senior management on the critical need to align accounting practices with your Lean journey – and restore clarity to financial reporting.

Key Learning

- Describe the key elements of lean accounting
- Understand the changed role of accounting in a lean organization
- Describe the risks of standard cost systems to a lean transformation
- Describe lean financial statements that do not violate GAAP
- Understand the principles of a Lean Measurement System
- Define steps to launch a lean accounting initiative
- Recommend initial processes to launch kaizen for accounting operations
- Simulation highlighting the impact of one-piece flow on financial statements

The Long-Term Payoff

- Financial statements in plain English – available at the end of the month, not weeks later
- Clear, accurate pictures of Lean improvement and overall business performance
- Information that can be easily understood and acted on by business managers with no accounting background
- Faster, simpler and more customer-focused accounting processes
- Finance teams that efficiently support the growing Lean business as full partners in Lean change

Ideal Attendees

- CFOs, Controllers, Plant Accountants and Corporate Accountants
 - Lean Leaders
 - COOs, General Managers and Plant Managers
- **Your experience will be most effective if your company sends a team including a mix of the above.**

Prerequisite

- Participants will have good knowledge of lean manufacturing but may have had little or no exposure to lean accounting.

Two-Day Agenda

- Introductions & Expectations
- General Lean Overview
- Simulation
- Obstacles for Lean Accounting
- Cost Management
- Costing & Absorption Accounting
- Accounting Processes
- Performance Measures
- Investment Management
- Roadmap to Get Started

“This is the best workshop I have attended in my 12 years as an accounting professional.”

Scott Juengel, Plant Controller
Michelin Tire Corporation



16.5 CPE Credits

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How Do You Measure Improvement

Standard accounting measures can slow down or block dramatic Lean improvement. Lean Management Accounting offers alternatives and solutions that will put your accounting on track with your Lean journey.

Measure	Behavior	Results
Purchase-price variance	Negotiate price based on quantity discounts	Excess inventory & costs; best supplier may be overlooked
Machine utilization	Machines run excess product to maximize utilization ratio	Excess inventory; wrong inventory
Set-up time built into standard cost	Encourages high run quantities	Excess inventory
Scrap factors built into standard cost	No action if no variance	Inflated standard; scrap allowed to exist
Standard cost overhead assumption	Overproduce to avoid unfavorable variance	Excess inventory; wrong inventory
Direct/indirect labor ratio	Encourages inaccurate labor reporting	Total costs not in control; lack of integrity

Your Instructors



Orest Fiume is the retired vice president of finance and administration and director of The Wiremold Company, which gained international recognition as a leader in Lean business management. Orry led Wiremold's conversion to Lean management accounting when the company implemented Lean in 1991.



Jean Cunningham founded Jean Cunningham Consulting, based on her experience as chief financial officer of Lantech, the company where she led the lean efforts in accounting and information systems. She continues to coach companies who desire support during their lean transformation.



Orry and Jean are co-authors of *Real Numbers, Management Accounting in a Lean Organization*, published in 2003 by Managing Times Press. In 2004, *Real Numbers* was awarded the Shingo Prize, an honor which *Business Week* had described as the "Nobel Prize of Manufacturing."

Unconditional Guarantee

- TBM guarantees 100% satisfaction. If for any reason you are not satisfied with a TBM LeanSigma Institute workshop, we will refund 100% of your fee.

"Traditional standard cost absorption accounting systems lead people in the opposite direction of where Lean management intends to go."

Art Byrne, Operating Partner of JW Childs Associates and Former Chairman, President and CEO ♦ The Wiremold Company

Pricing

- Individual: \$1,500
- Group: \$1,350 each (three or more)

We can conduct this workshop onsite at your facility for groups of 10 or more.

Register Today

Online: www.tbmcg.com/lma
Toll-Free: 800.438.5535



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