

Value Add not Overhead The Next 10 Years

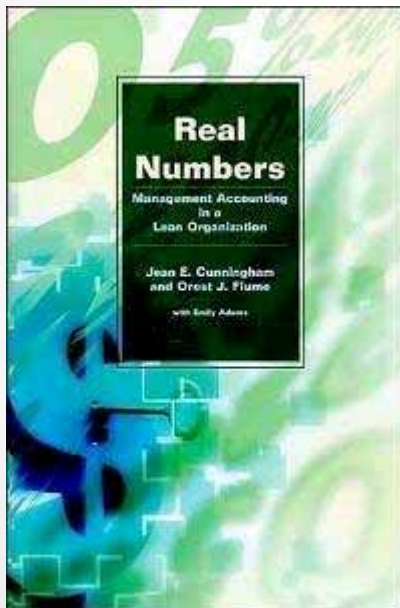
with
Jean Cunningham

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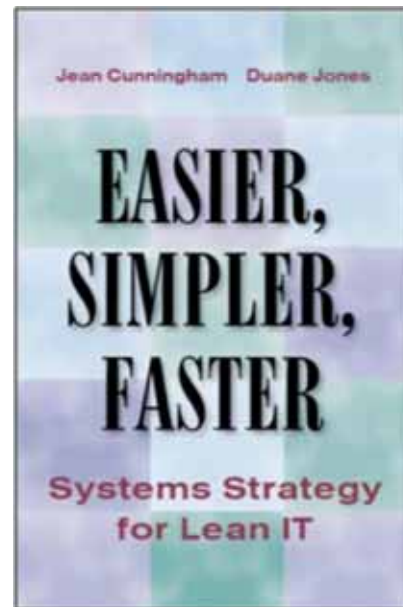




Building LEAN Beyond Manufacturing



Managing Times Press, 2003
Shingo Prize, 2004



Productivity Press, 2007
Shingo Prize, 2008

- Founder and president
- Lean accounting / lean business management / lean office pioneer
- Former CFO, Lantech, Inc
- Former CFO, Marshfield Door Systems

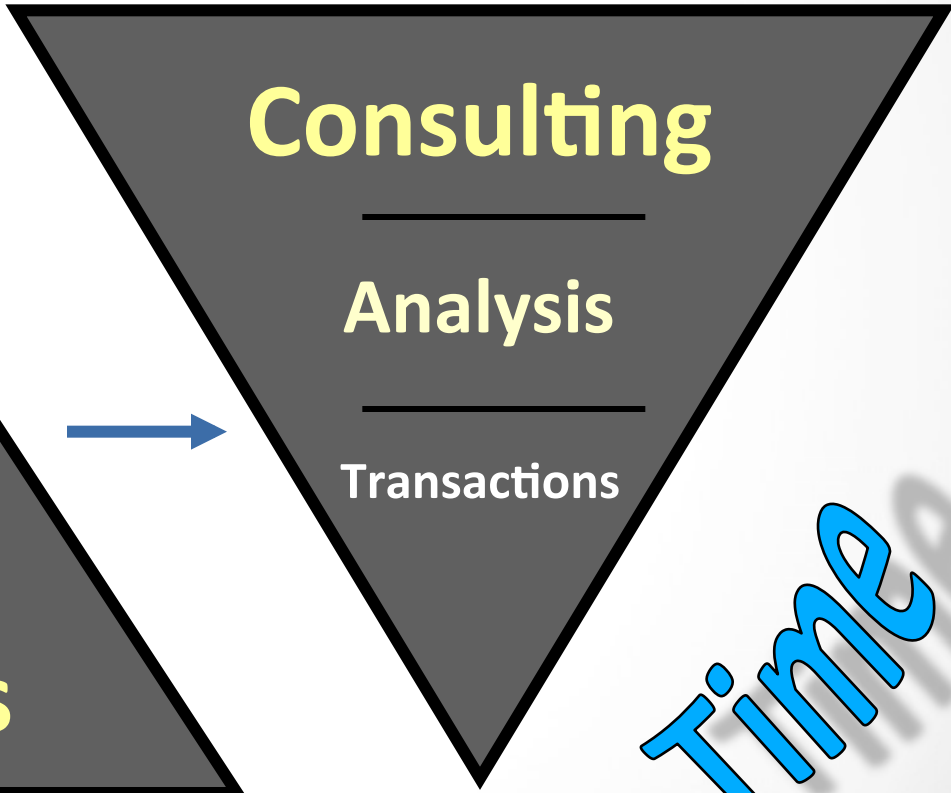
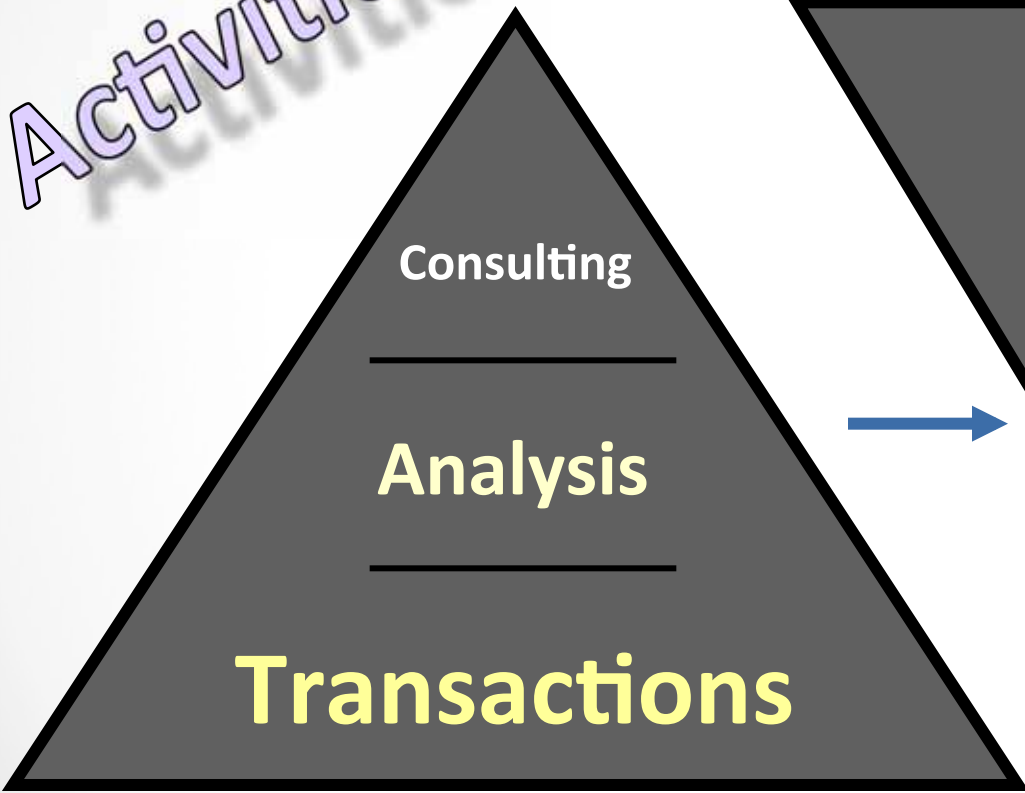


A vibrant watercolor illustration of a tropical scene. The background features a mix of soft, blended colors in shades of pink, purple, and blue, suggesting a sunset or sunrise. In the foreground, there are large, detailed elements: a large pink flower with a yellow center, several green leaves with prominent veins, and a small butterfly perched on one of the leaves. The overall style is artistic and painterly.

Transform to Business Partner

Lean Accounting Transformation

Activities

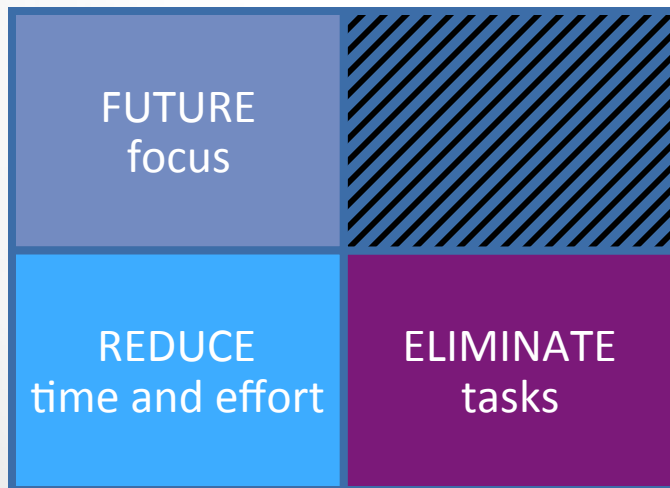


Time

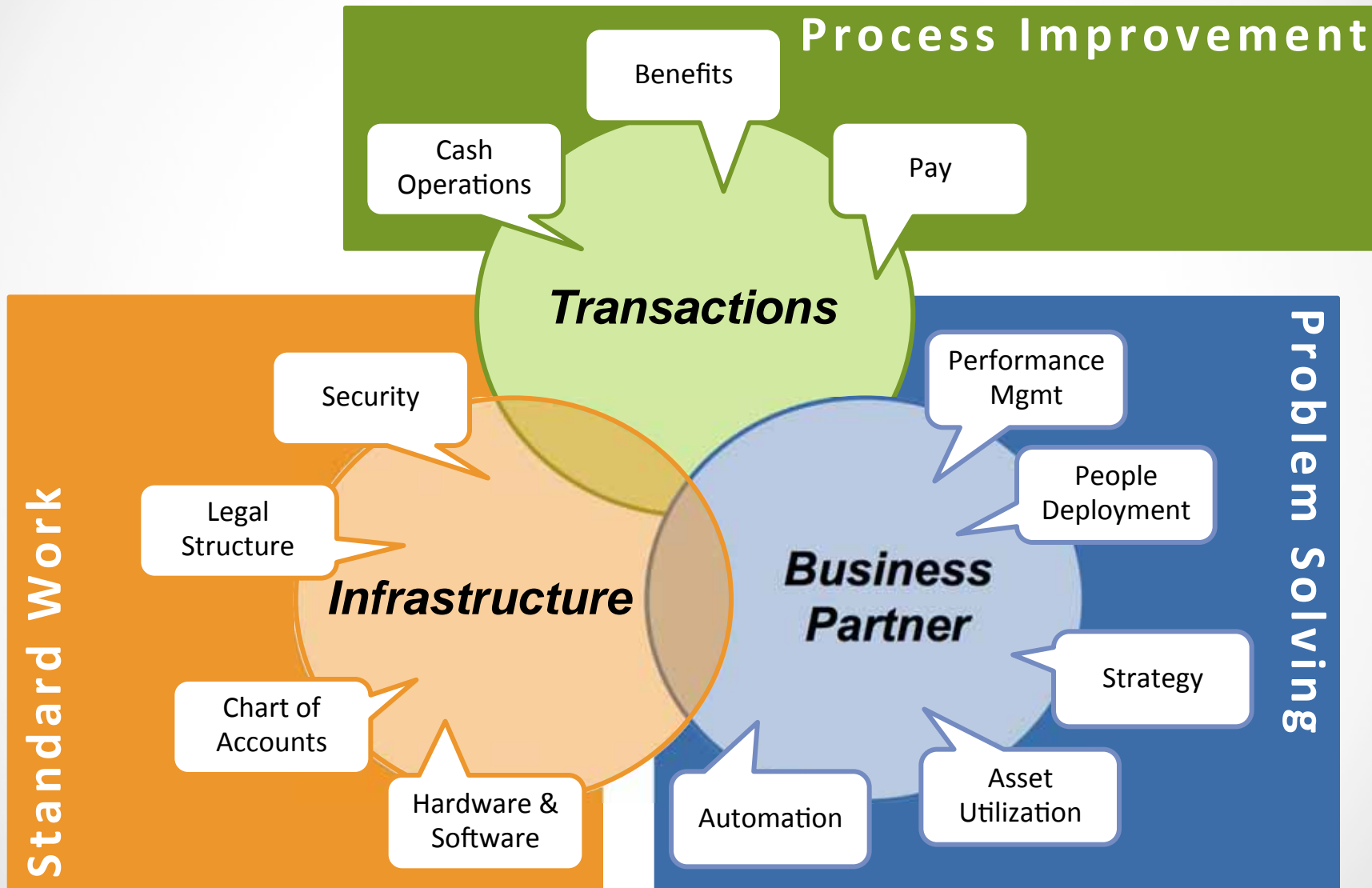


Simplify Transactions

- Simplify the transactional work
- Automate the Normal
 - Intelligent Poka-yoke
 - Process not functional thinking



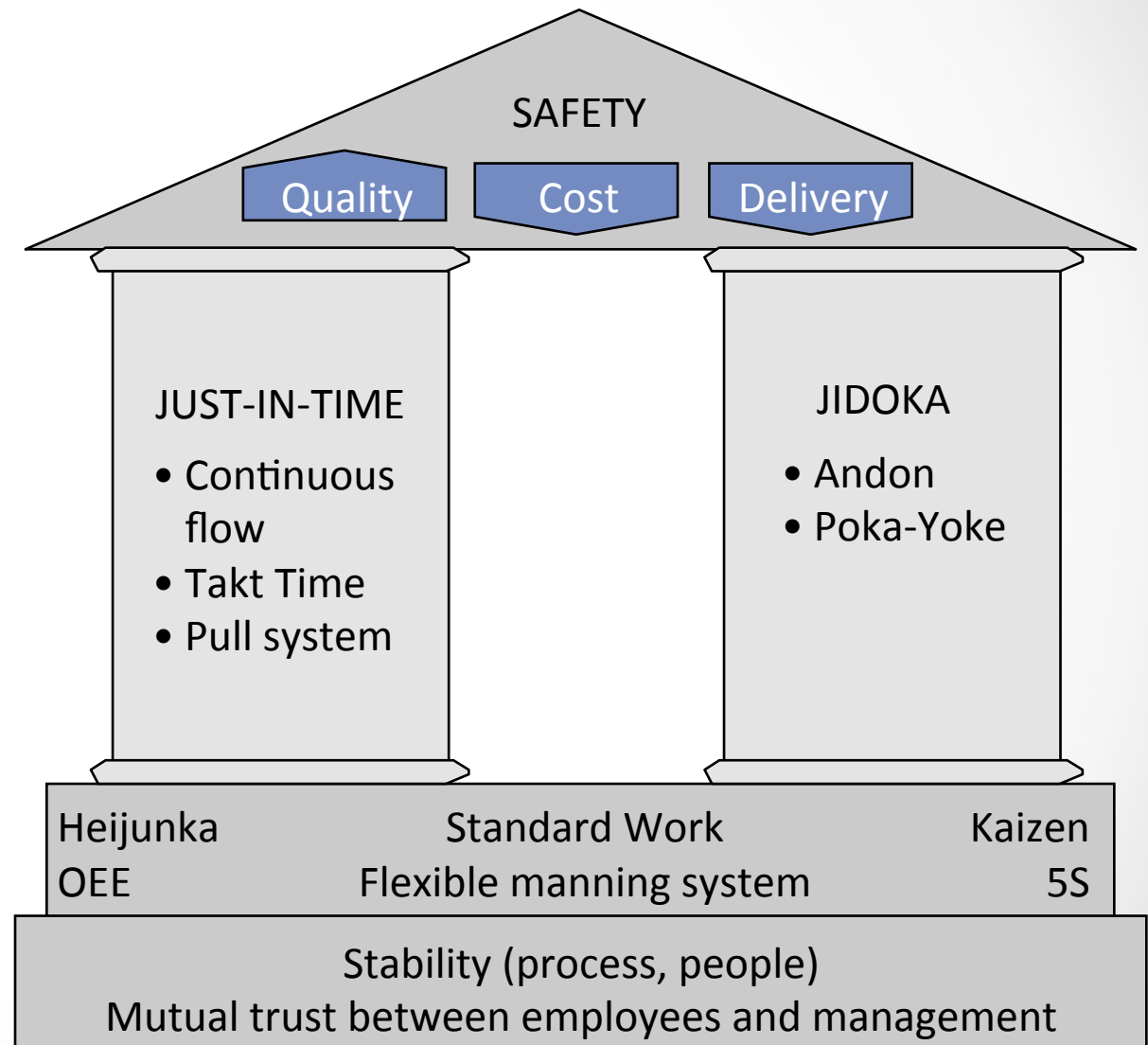
VISION: Finance/Accounting/IT/HR Value Stream



A vibrant watercolor painting of a tropical scene. In the foreground, there are large, colorful flowers in shades of red, pink, and purple. A blue hummingbird is perched on a green stem. In the background, there is a landscape with a white house, green trees, and a body of water with a small boat. The overall style is soft and artistic.

Drive Organization Problem Solving

Toyota Production System



Source: Toyota



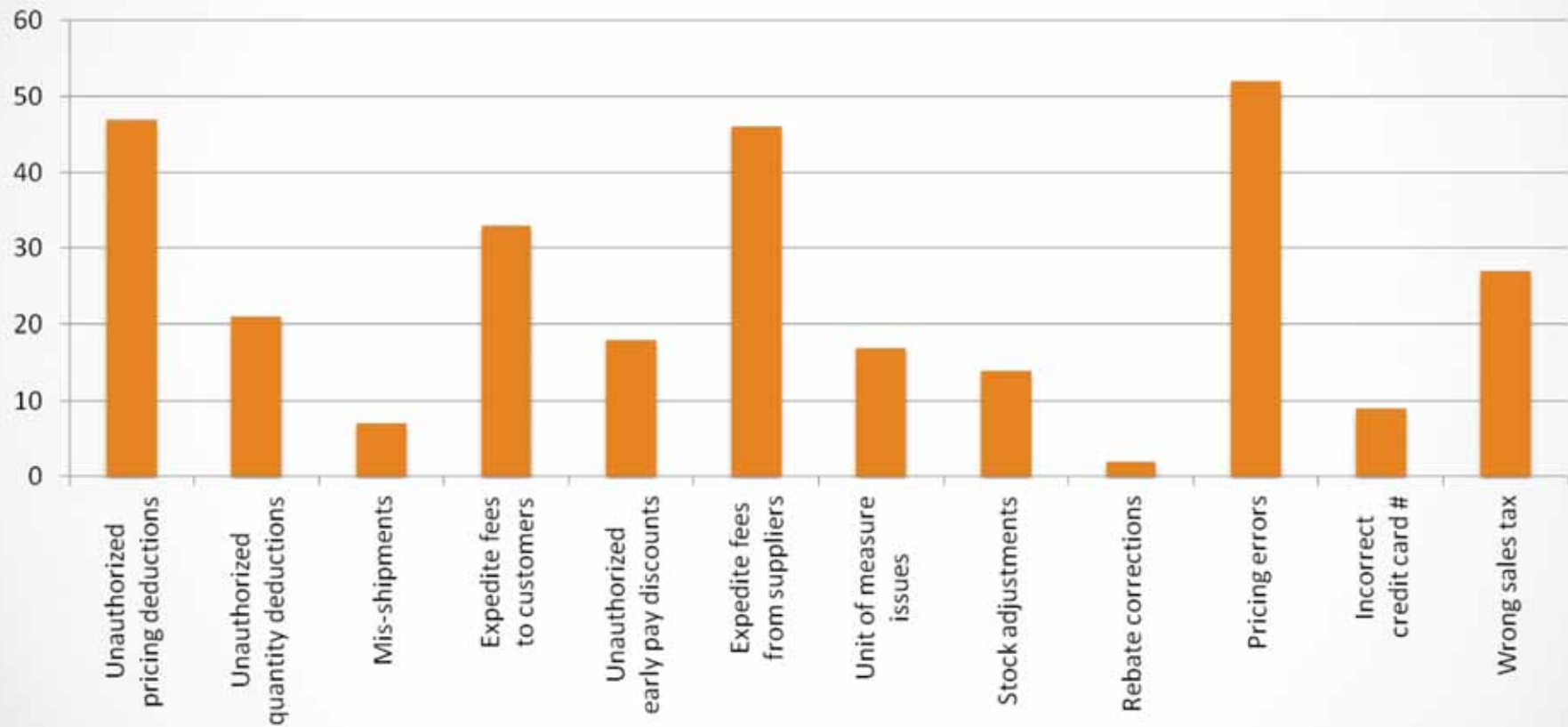
Accounting Information

- Unauthorized pricing deductions
- Unauthorized quantity deductions
- Mis-shipments
- Expedite fees to customers
- Unauthorized early pay discounts
- Expedite fees from suppliers
- Unit of measure issues
- Stock adjustments
- Rebate corrections
- Pricing errors
- Incorrect credit card #
- Wrong sales tax



Accounting Info to Drive Process Improvement

Defects



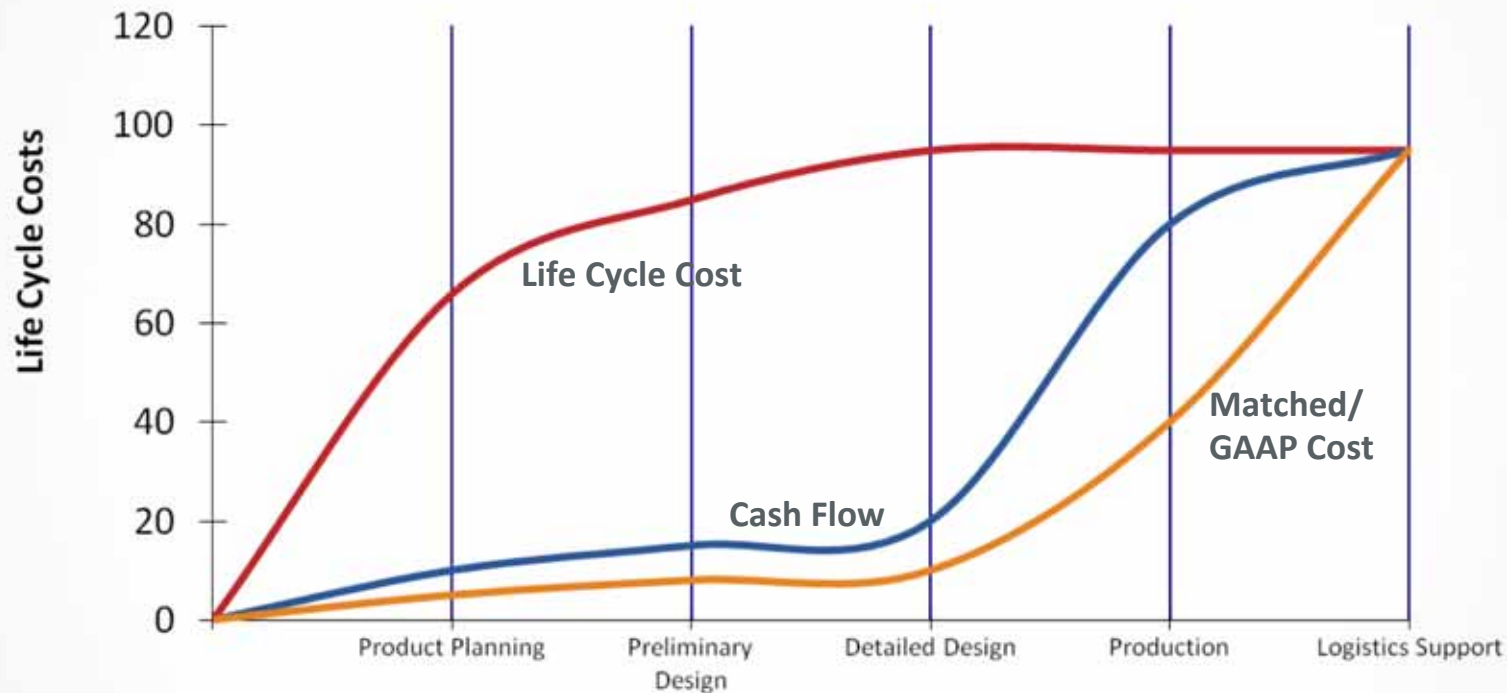
Jidoka/Launch Problem Solving



A watercolor painting of several flowers in shades of pink, red, and white, with green leaves. The style is soft and artistic, with visible brushstrokes and a gentle color palette. The flowers are the central focus, with some in full bloom and others as buds or partially open petals. The background is a light, neutral tone, making the colors of the flowers stand out.

New Products

Conflicts Between Accounting Practices and Life-Cycle Concept

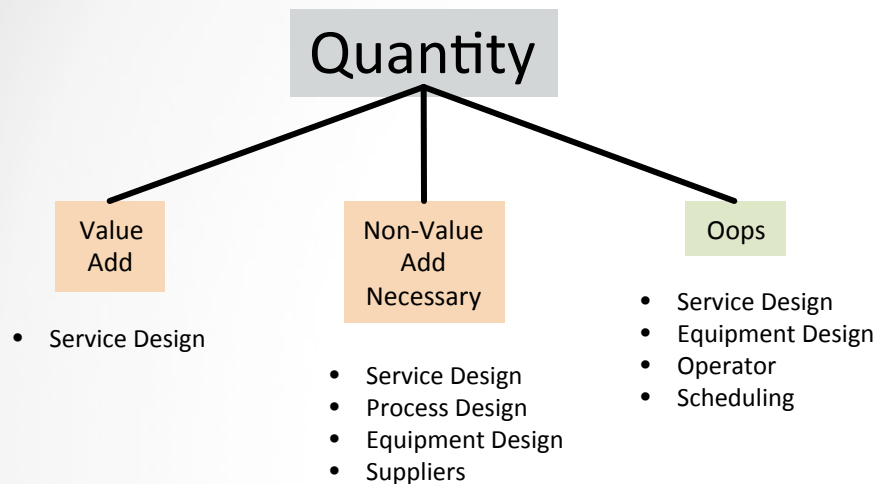


Adapted from Benjamin S. Blanchard, *Design and Manage to Life Cycle Costs*, Portland, OR: M/A Press 1978

Low cash outlay in the product planning and design phases disguise their impact on total product costs

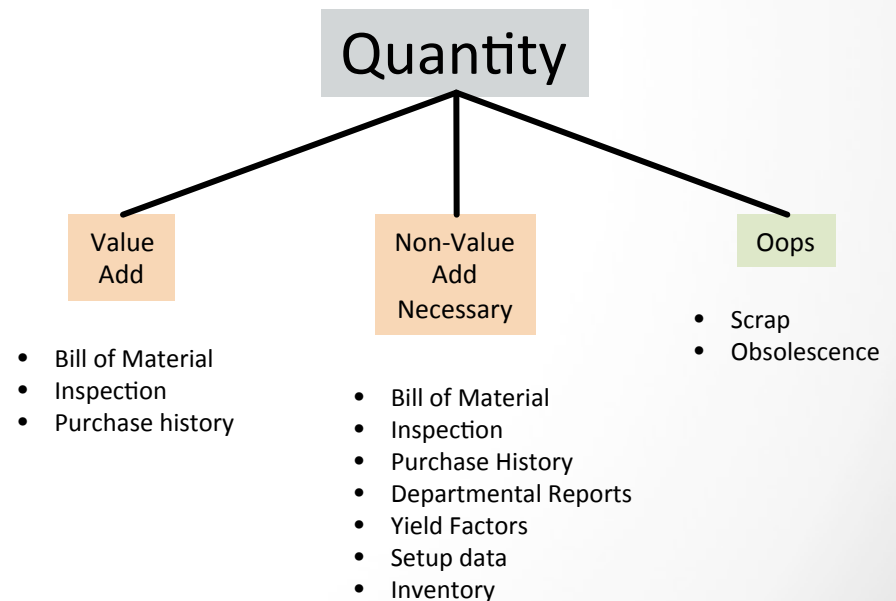


Material Cost



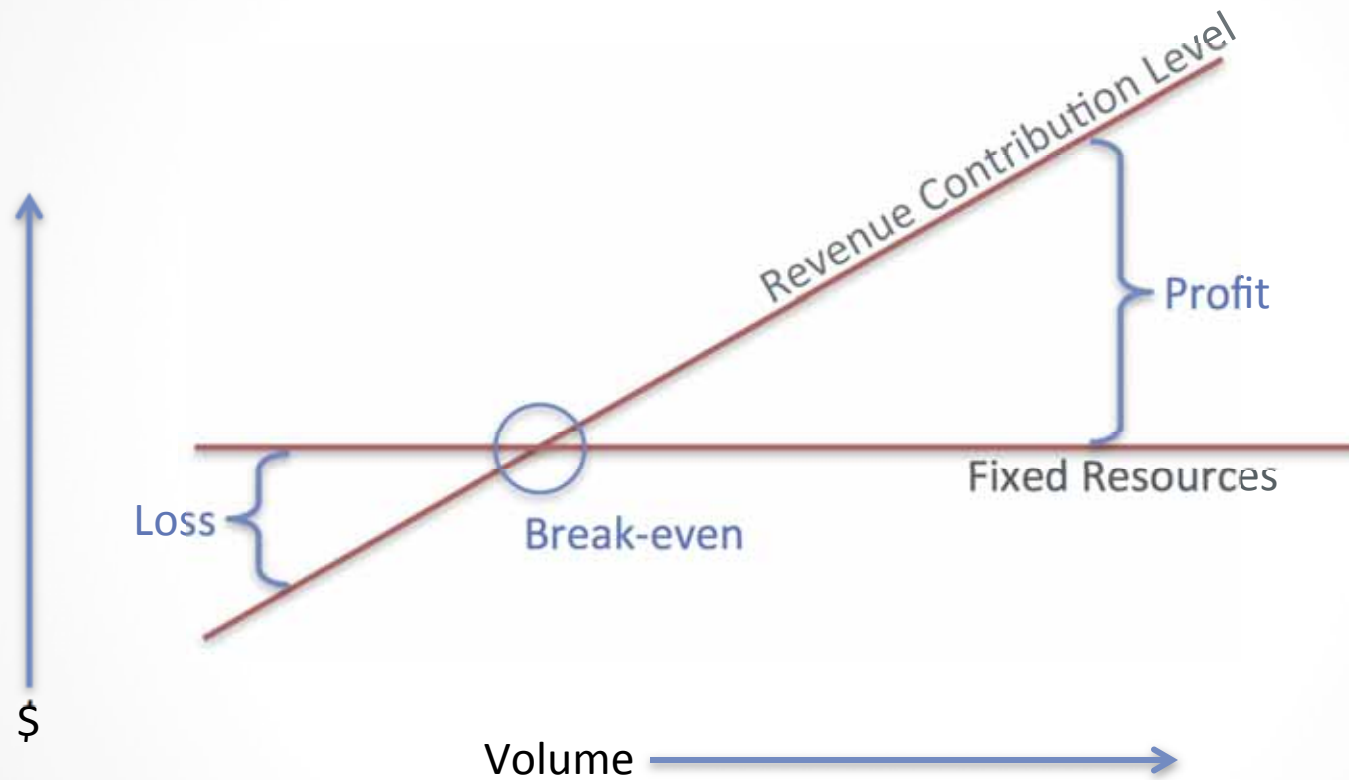
Who has responsibility for them?

What are the existing Metrics?



Profit Model

Profit Model

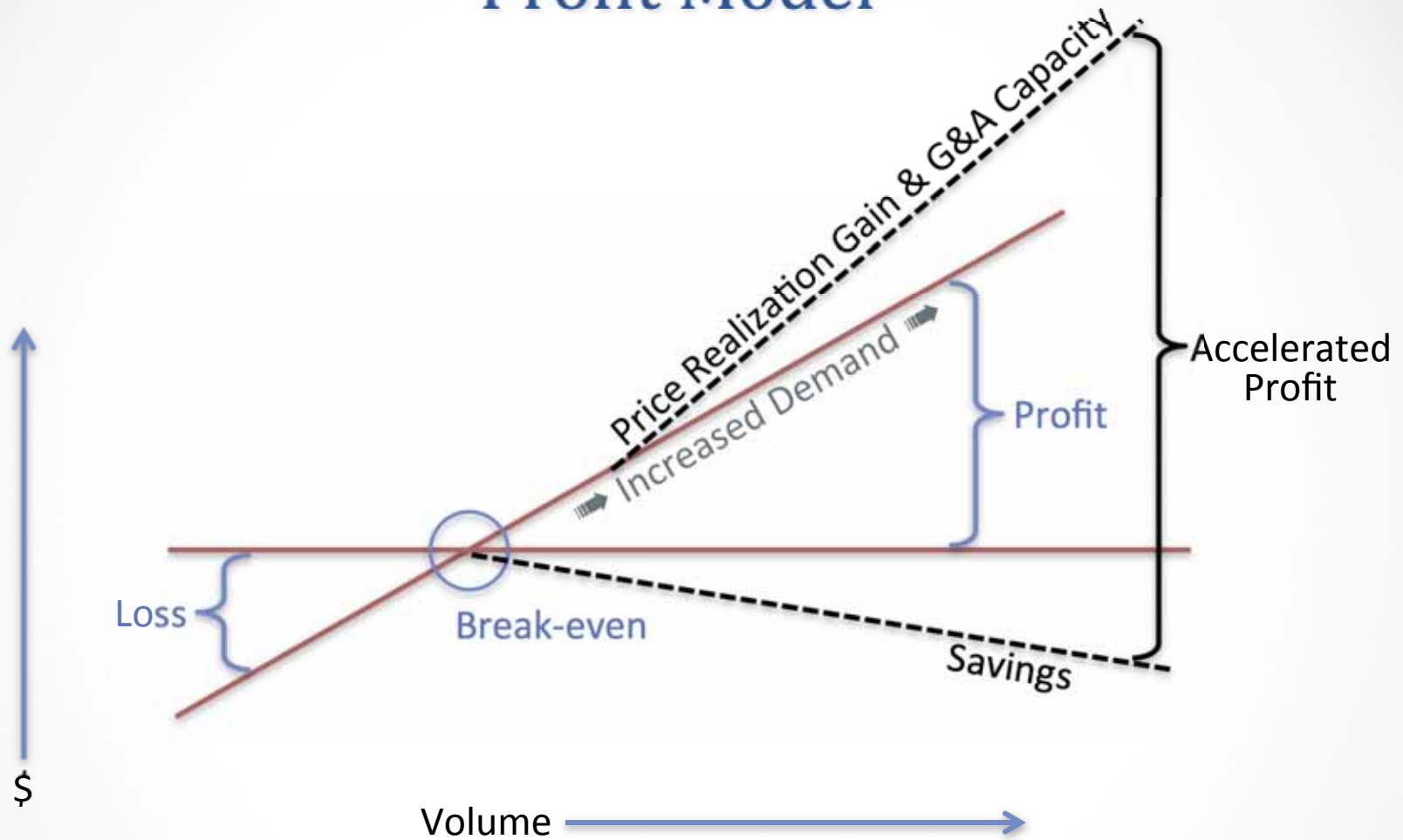


Invested Capital

- Fixed Assets
- Inventory
- Receivables



Profit Model



Invested Capital

- Fixed Assets
- Inventory
- Receivables





Lean Accounting, Totally Cool!

Questions & Answers

"The most dangerous kind of waste is the waste we do not recognize."

— Shigeo Shingo, engineer, teacher and author on improving manufacturing systems



JCC Lean Business Management

Lean Strategic **Coaching**

Business Process **Kaizen** Events

Lean Office Workshops

Lean **Executive Sensei**

Lean **IT** and IS Migration

Lean **Accounting**

Lean Financial **Statements**

Lean **Metrics**

Lean **Human Resources**



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