

SMA TOOLS

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- **Activity based management (ABM)**
- **Business process management (BPM)**
- **Target costing**
- **Life cycle costing**
- **Quality costing**
- **Attribute costing**
- **Value chain costing**

SMA TOOLS

- **Quality related tools**
 - Just-in-time (JIT)
 - Total quality management (TQM)
 - Continuous improvement
 - Quality circles
 - Kaizen
 - Six Sigma
- **Lean manufacturing**
- **Transfer pricing**
- **HR management**
- **Environmental management accounting**

ACTIVITY BASED MANAGEMENT

- **Activity-based management (ABM) is the management process that uses the information provided by an activity-based cost analysis to improve organizational profitability. Activity-based management includes performing activities more efficiently, eliminating certain activities that do not add value for customers, improving the design of products and development better relationships with customers and suppliers**
- **Aim is to provide management with a method of introducing and managing process and organizational change**
- **Enable customer needs to be satisfied while making fewing demands on organizational resources if it is linked to customer profitability analysis (CPA)**

BUSINESS PROCESS MANAGEMENT

- **Business process management (BPM) seeks to give an organization an improved understanding of how their processes operate so they can be redesigned with a view to creating and delivering better customer value**

TARGET COSTING

- **Target costing is an activity which is aimed at reducing the life-cycle costs of new products, by examining all possibilities for cost reduction at the research, development and production stage. It is not a costing system, but a profit-planning system – the selling price and profit requirement are set during the research stage, thus creating a target cost.**

LIFE-CYCLE COSTING

- **Life-cycle costing is the profiling of costs over the life of a product, including the pre-production stage.**

QUALITY COSTING

- **The concept of quality costs is a means to quantify the total cost of quality related efforts and deficiencies. It can be broken down into appraisal costs, prevention costs, internal and external failure costs.**

ATTRIBUTE COSTING

- **An extension of activity based costing using cost-benefit analysis (based on increased customer utility) to choose the product attribute enhancements that the company wants to integrate into a product.**

VALUE CHAIN COSTING

- **Based on Porter's Value Chain analysis, a firm may create a cost advantage either by reducing the cost of individual value chain activities or by reconfiguring the value chain. Once the value chain is defined, a cost analysis can be performed by assignment costs to the value chain activities.**

QUALITY RELATED DECISIONS

- **Just-in-time (JIT)**
- **Total Quality Management (TQM)**
- **Continuous improvements**
- **Quality circles**
- **Kaizen**
- **Six Sigma**

LEAN MANUFACTURING

- **See Reading Pack**

TRANSFER PRICING

- **Transfer prices between divisions (under make condition)**
- **Tax reasons**
- **Responsibility accounting**
- **Control and performance measurement**
- **Accountability and rewards / recognition**

HR MANAGEMENT

- **See Reading Pack**

ENVIRONMENT ACCOUNTING

- **See Reading Pack**