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# Strategic Management Accounting

Adding value to your corporation  
 Laura Ipacs FCCA

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## Traditional vs. strategic management accountancy

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## Objectives and topics

- Update on current topics in management accounting:
  - Strategic management accounting: the changing role of the accountant in the 21<sup>st</sup> century
  - Performance management

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## The accountant

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## The Future Direction

Management accounting is changing from a traditional monitoring and control perspective, to a more business and support-oriented perspective

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## Product Lifecycle

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### Implications

- **True costs** of product are identified
- **Price will change** according to demand
- Assess profitability over **product life** not by period

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### Objectives and congruence

Mission

Corporate Objectives

Business Objectives

Operational Objectives

Individual Objectives

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### Lifecycle Impact

Shorter product lifecycles → Clear Planning needed

Clear Planning needed → 90% cost incurred before product reaches market

Clear Planning needed → Need to ensure return can be achieved in the timescale

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### Cycle of Planning & Control

Objectives → Planning (Budget) → Operate in line with objectives → Control (Compare actual with budget) → Objectives

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### Lifecycle costing - Summary

- All costs and revenues measured throughout product life
- Price to manipulate demand / PLC stage

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### Value Management

Value chain principles

Supply chain management

Pricing

Lifecycle accounting

Throughput Accounting

Marketing, branding & market share

Value Management