

MANAGEMENT ACCOUNTING – BRIDGING THEORY AND PRACTICE

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Curriculum Vitae

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Pendidikan :	S1 - Faculty of Economics, University of Indonesia (Accounting) MBA - University of Wisconsin - Madison, USA (Finance) MSc - University of Wisconsin - Madison, USA (Marketing) Certified Management Accountant
Pekerjaan (Sekarang) :	Pengajar : Universitas Indonesia (S1 Fakultas Ekonomi, Magister Manajemen, dan Magister Akuntansi Mata Kuliah Diajarkan : Akuntansi Biaya, Akuntansi Manajemen, Sistem Manajemen Biaya Sistem Pengendalian Stratejik, Keuangan Internasional dan Ekonomi Manajerial Komisaris Independen PT. Adi Sarana Armada Tbk Komite Audit : PT. Astra Otoparts, Tbk Komite Audit : PT. Surya Artha Nusantara Finance Konsultan dan Pembicara Seminar In House Training dan Workshop di bidang Cost Management dan Performance Measurement (ex: Budget, BSC, ABC)

WHAT IS THE DIFFERENCE

- COST ACCOUNTING
- MANAGEMENT ACCOUNTING
- COST MANAGEMENT

WHY WE CAN'T USE ONE SYSTEM FOR MANAGEMENT ACCOUNTING

- TOO AGGREGATE
- TOO LATE
- DIFFERENT ASSUMPTION

WHAT IS IT FOR ?

- JOB ORDER COSTING
- PROCESS COSTING
- JOINT COSTS
- SUPPORT DEPARTMENT COST ALLOCATION

SOMETHING TO THINK ABOUT

- WHAT IS THE DIFFERENCE BETWEEN DIRECT COST AND INDIRECT COSTS ?
- DO YOU AGREE THAT DIRECT MATERIAL AND DIRECT LABOR IS THE ONLY DIRECT COSTS IN THE COMPANY ?
- WHAT IS FIXED COSTS AND VARIABLE COSTS ?
- IS DIRECT LABOR A VARIABLE COSTS ?
- WHAT IS A VARIABLE FACTORY OVERHEAD ? AND HOW TO PROPERLY USED VFOH ?
- WHAT ABOUT STANDARD COSTING ?

SOMETHING TO THINK ABOUT

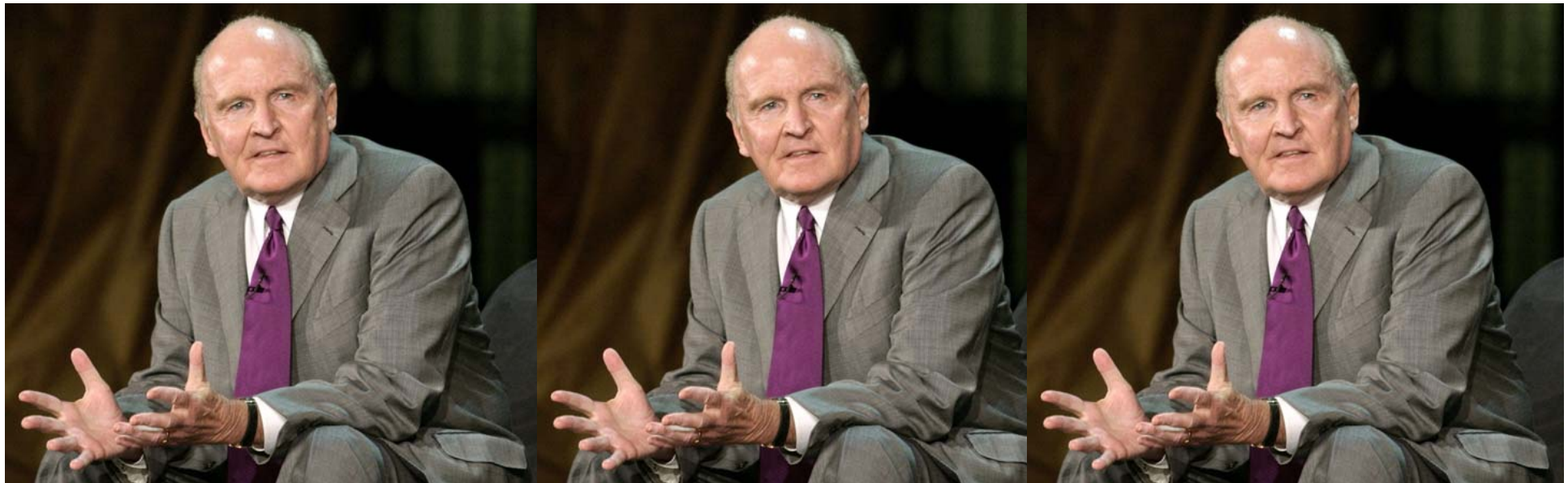
- SUPPORT DEPARTMENT COST ALLOCATION, IS IT A NECESSARY TOPIC ?
- CAN WE USE ABC FOR ABM ?
- IS BUDGETING STILL A RELEVANT TOPIC ?
- MANAGEMENT CONTROL SYSTEM VS GOOD CORPORATE GOVERNANCE

COST SYSTEMS

- **Direct/Variable Costing and Theory of Constraint**
- **Lean Accounting**
- **Traditional Activity Based Costing**
- **Activity Based Costing with Idle Capacity**
- **Time Driven Activity Based Costing**
- **Resource Consumption Accounting**
- **Grenzplankostenrechnung (GPK)**

“the bane of corporate America. It never should have existed. A budget is this: If you make it, you generally get a pat on the back and a few bucks. If you miss it, you get a stick in the eye or worse Making a budget is an exercise of minimalization. You’re always getting the lowest out of people, because everyone is negotiating to get the lowest number

Jack Welch, Ex CEO of General Electric



With so little control over input and output prices, forecasting within the industry is a lottery. You could be sure that as soon as the ink dried on the next year's budget that either input or output prices would change dramatically, making the whole exercise a complete waste of time. No one in Borealis needed too much persuading that the budgeting process added little real value and should be dismantled

Bjarte Bogsnes, VP of Corporate Control - Borealis



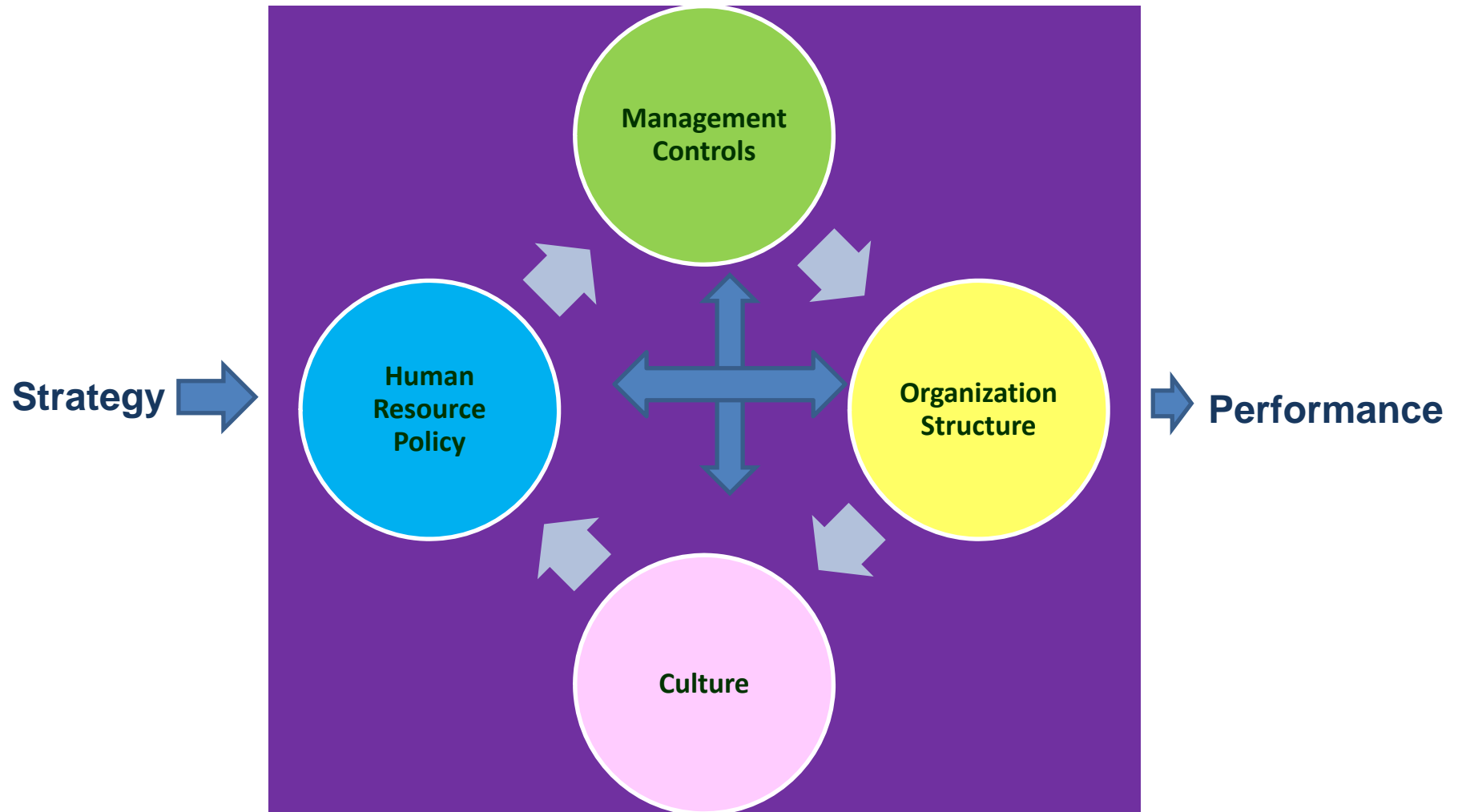
MORE ON BUDGET

- STANDARD COST AND BUDGET
- WHAT IF WE CAN NOT USED THE STANDARD COST
- RESOURCE USAGE vs RESOURCE SPENDING
- HOW TO LINK SWTRATEGIC PLAN WITH BUDGET ?
- WHICH IS MORE IMPORTANT, TARGET OR BUDGET ?
- THE IMPORTANCE OF ROLLING FORECAST

Developing Budget Using Balanced Scorecard (KAPLAN AND NORTON - STRATEGY MAP)

Strategy Map		Balanced Scorecard		Action Plan		
Process: Operations Management Theme: Ground Turnaround	Objectives	Measurement	Target	Initiative	Budget	
<i>Financial Perspective</i> 		<ul style="list-style-type: none"> ■ Profitability ■ Grow revenues ■ Fewer planes 	<ul style="list-style-type: none"> ■ Market value ■ Seat revenue ■ Plane lease cost 	<ul style="list-style-type: none"> ■ 30% CAGR ■ 20% CAGR ■ 5% CAGR 		
<i>Customer Perspective</i> 		<ul style="list-style-type: none"> ■ Attract and retain more customers ■ Flight is on time ■ Lowest prices 	<ul style="list-style-type: none"> ■ # repeat customers ■ # customers ■ FAA on-time arrival rating ■ Customer ranking 	<ul style="list-style-type: none"> ■ 70% ■ Increase 12% annually ■ #1 ■ #1 	<ul style="list-style-type: none"> ■ Implement CRM system ■ Quality management ■ Customer loyalty program 	<ul style="list-style-type: none"> ■ \$XXX ■ \$XXX ■ \$XXX
<i>Internal Perspective</i> 		<ul style="list-style-type: none"> ■ Fast ground turnaround 	<ul style="list-style-type: none"> ■ On-ground time ■ On-time departure 	<ul style="list-style-type: none"> ■ 30 minutes ■ 90% 	<ul style="list-style-type: none"> ■ Cycle-time optimization 	<ul style="list-style-type: none"> ■ \$XXX
<i>Learning and Growth Perspective</i> 		<ul style="list-style-type: none"> ■ Develop the necessary skills ■ Develop the support system ■ Ground crew aligned with strategy 	<ul style="list-style-type: none"> ■ Strategic job readiness ■ Info system availability ■ Strategic awareness ■ % ground crew stockholders 	<ul style="list-style-type: none"> ■ Yr. 1-70% ■ Yr. 3-90% ■ Yr. 5-100% ■ 100% ■ 100% ■ 100% 	<ul style="list-style-type: none"> ■ Ground crew training ■ Crew scheduling system rollout ■ Communications program ■ Employee Stock Ownership Plan 	<ul style="list-style-type: none"> ■ \$XXX ■ \$XXX ■ \$XXX ■ \$XXX
Total Budget					\$XXXX	

Framework for Strategy Implementation (Anthony and Govindarajan)



Four Levers of Control



Belief
System



Boundary
System



Diagnostic
Control
System



Interactive
Control
System

**TERIMA KASIH ATAS
PERHATIANNYA**