

BUSINESS EXCELLENCE THROUGH COST MANAGEMENT

Business excellence

Business Excellence is often described as outstanding practices in managing the organisation and achieving results, all based on a set of fundamental concepts or values.

Business Excellence Projects

to understand where the organisation is in relationship to where it wants to be and then identify the gaps to get there.

Business Excellence People

to match these projects to the right teams. The teams require a Sponsor, a Leader and core Team members along with others



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Business Excellence Implemented

to ensure that the projects are correct implemented using the various Improvement Methods and reviewed with milestone reviews to ensure that the right pathway is being followed along with the correct usage of the Improvement tools.

Business Excellence Maintained

Business Excellence Sustained



Customer is the GOD- in the words of Gandhiji

Cost Management

Cost management is the process of planning and controlling the budget of a business. **Cost management** is a form of **management** accounting that allows a business to predict impending expenditures to help reduce the chance of going over budget.

- Project cost
- Product cost
- Budget and variance analysis
- Management accounting and reports
- Pricing analysis
- Rati analysis etc....

“In a gentle way, you can shake the world.” - Gandhiji

Role of Management accounts function

Planning and control:

- Helps management in planning- strategic plan- short term, medium term and long term
- Implementation of the plan through budgetary mechanism
- Monitoring of the plan
- Implementation of corrective action

Operational excellence:

- Robust costing system in place- for products
- Analysis of the COGM – yield, loss, value addition, material cost, alternate ways to reduce the cost.....

Role of Management accounts function

Capex budgeting and control:

- Identification of the need for capex
- Alignment with long term business plan
- Estimation of capex
- Investment decision making- data for decision making- like cost, ROI, Payback, sensitivity analysis etc.
- Project accounting to know correct capex incurred
- Capitalisation
- Asset control

Role of Management accounts function

Optimisation of resources-

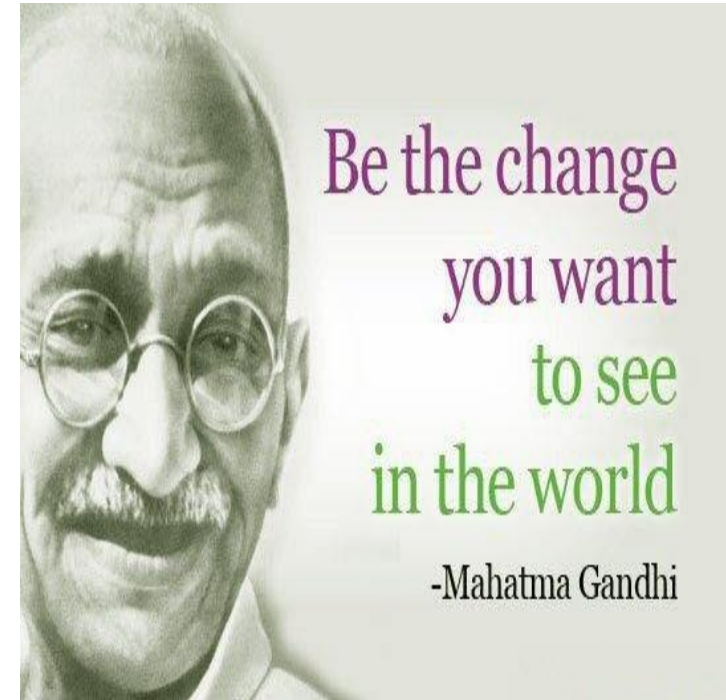
Manpower and facility utilisation

Mergers and acquisition

Due Diligence

Cost Records and audit

Adopt to the situation and be flexible



“Strength does not come from physical capacity. It comes from an indomitable will.” - Gandhiji

For effective cost management

- Good ERP system in place
- Trained manpower for the function
- Knowledge on the manufacturing process of the company
- Continuous interaction with the operations team
- Proactive than reactive
- Participate in business reviews
- Be supportive to the business function
- Don't be fault finder
- Create confidence and comfort to the business partner
- Acquire presentation skills, be open and transparent and clear in thinking
- Don't close the mind for suggestions/alternatives
- Put yourself in the shoes of the business incharge
- Be confident and update yourself with latest developments

Change in the mindset from an accountant to analyst

“First they ignore you, then they laugh at you, then they fight you, then you win.” in the word of Gandhiji

For effective management

The current management theories are by and large prescriptions for the business organizations.

This overwhelming focus on organizations has over time pushed the “individuals” to the residual in the equations.

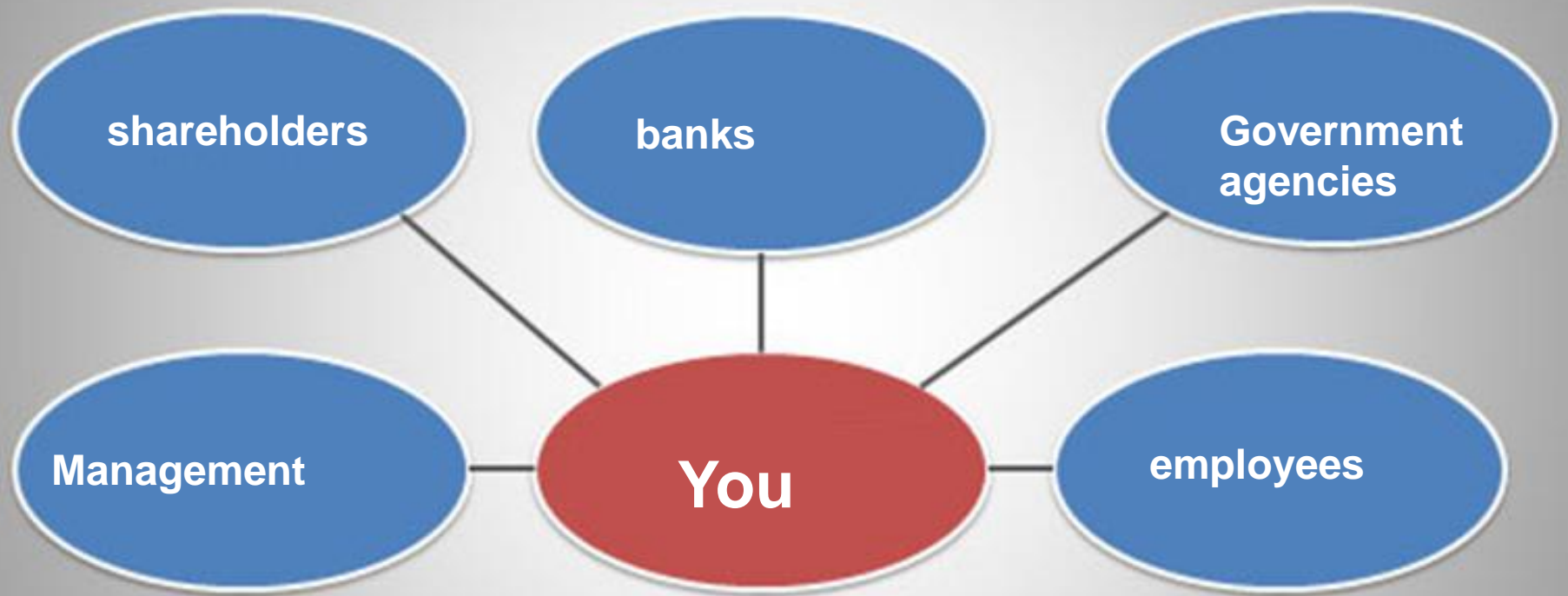
It is increasingly felt that the current ideas do not adequately cover all the issues of major concern to individuals and organizations.

There is a need to bring new perspectives using **Bhagavad Gita** as the main reference frame for culling out ideas from Ancient Indian wisdom

This is done by IIM Bangalore by introducing a course called **Management Paradigms from Bhagavad Gita (MPBG)**

Let us respect our ancient wisdom and knowledge which are applicable for all time and all situations compared to non human modern management techniques and theories

Your key stakeholders



Thank You