



KREA
cultivating financial confidence

**YOUR TRUSTED
BUSINESS PARTNER**

WHAT IS MANAGERIAL ACCOUNTING

Managerial accounting is "creating value through values".
Management Accountants are strategic business partners who understand the financial and operational side of a business.

The role as a Management Accountant

It's more than just crunching numbers. It means that management accountants should maintain an unwavering commitment to ethical values, while using their knowledge and skills to influence decisions that create value for the business and stakeholders. These skills include managing risks and implementing strategy through planning, budgeting and forecasting, and decision support. They not only analyze and report financial measures, but also non financial measures of process performance and corporate social performance. Think of these responsibilities as profits (financial statements), process (customer focus and satisfaction), people (employee learning and satisfaction), and planet (environment stewardship).

Managerial Accounting

It's more than just crunching the numbers





“What is a Strategic Management Perspective?”

Companies do not succeed by sheer luck; instead they need to develop a Strategy that defines how they intend to succeed in the marketplace. A strategy is a **“game plan”** that enables a company to attract customers by distinguishing itself from competitors. The focal point of a company’s strategy should be its target customers. A company can only succeed if it creates a reason for its target customers to choose it over a competitor. These reasons, or what are more formerly called customer value propositions, are the core of strategy. The three categories are

1. **Customer Intimacy**

This marketing strategy is where a service supplier or product retailer gets close to their customer. The benefit of great customer intimacy for a business might include, customized product needs, highly tailored problem solving and high customer loyalty levels.

2. **Operational**

Excellence – This marketing strategy is where a service supplier or product retailer focuses on the customer’s needs through operational improvement to deliver faster, conveniently and at a lower price than our competitors.

3. **Product leadership**

This marketing strategy is saying to their target customer; we offer higher quality products than our competitors. Every strategy, plan and decision involve risks.





What is Enterprise Risk Management Perspective?

Enterprise risk management is a process used by a company to identify those risks and develop responses to them that enable it to be reasonably assured of meeting its goals. There are a range of risks that relate to weather risks associated with computer hackers, complying with law, employee theft and products harming customers.

In managerial accounting, companies use controls to reduce risk that their plans will not be achieved. (SEE CHART EXAMPLE BELOW). Risk management is also a critically important aspect of decision making.

Examples of Business Risks

1. Intellectual assets being stolen from computer files.
2. Products harming customers.
3. Losing market share due to unforeseen actions of competitors.
4. Poor weather conditions shutting down operation.
5. A poorly designed incentive compensation system causing employees to make bad decisions

Examples of controls to reduce business Risks

1. Create firewalls that prohibit computer hackers from corrupting or stealing intellectual property.
2. Develop a formal and rigorous new product testing program.
3. Develop an approach for legally gathering information about competitors, plans and practices.
4. Develop contingency plans for overcoming weather-related disruptions.
5. Create a balanced set of performance measures that motivates the desired behaviour.



What is Corporate Social Responsibility Perspective?

Corporate social responsibility (CSR) is a concept whereby organizations consider the needs of all stakeholders when making decisions. CSR extends beyond legal compliance to include voluntary actions that satisfy stakeholder expectations. Stakeholders are, customers, suppliers, shareholders, directors, employees and communities from which the business draws its resources. If a company fails to meet the needs of the stakeholder groups, it could adversely affect its financial performance. Therefore, in managerial accounting a manager must establish plans, implement controls and make decisions that consider impacts on all stakeholders.





What is Process Management Perspective?

A business process is a series of steps that are followed in order to carry out some task in business. These steps often span departmental boundaries, thereby requiring Managers to cooperate across functional departments. The term value chain is often used to describe how a business's functional department interact with one another to form business process. A Value chain consists of the major business functionals that add value to a company's products and services.



Managers need to understand the value chain to be effective in terms of planning, control and decision making.





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About KREA

Krea was set up by entrepreneur Leah Donaldson, to equip and empower small business owners to understand their numbers and look ahead. Krea works alongside owners and staff to cultivate financial confidence. We accomplish this by analysing data and mapping processes to understand what a business is doing then working on where it wants to go. More importantly we make credible recommendations on the financial management, inventory or service system that best suits your organisation.

Vision

"Equipping entrepreneurs to succeed, through customised system integration, training and experience that works.

Let KREA help you understand your financial statements to make well informed decisions to achieve your goals

Our Values

Accountability

We are answerable

Committed

Keep promises

Confidential

Private is private

Fun

Laugh, enjoy and create adventure.

Innovative

Striving to continuously evolve

Integrity

We champion a culture of transparency.

Respect

Value and honour even in our differences

Teachable

Learning is a permanent condition for us and our clients



KREA

cultivating financial confidence

Your trusted business partner, creating transformational change

Creating opportunity together, to achieve intentional success

Our Industry experience

Building/contractors
& trade services

Transport
distribution and
logistics

Manufacturing

Marketing & IT

Retail &
E-commerce

Not for Profit