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Since 1976

Helping Business and Industry Become More Competitive

Third Quarter 2008

ATAC's Burdg recertified as quality award sr. examiner

Henry Burdg, director of Auburn Technical Assistance Center (ATAC) recently was recertified and appointed Senior Examiner for the 2008 Alabama Quality Award.

Modeled after the Malcolm Baldrige National Quality Award, the Alabama Quality Award recognizes and honors organizations whose past or recent innovations in areas of production, service or management have resulted in increased productivity and quality.

Manufacturing is vital and essential in state's economy

Recent growth in automotive, aerospace, and primary metals manufacturing in Alabama has focused new attention on the importance of manufacturing in the state's economy.

- Manufacturing in Alabama accounts for \$28.6 billion in value-added products.
- Manufacturing payroll is 19.7 percent of the private sector payroll.
- Manufacturing accounts for 17 percent of the private sector employment.
- Manufacturing comprises 17.3 percent of Alabama's Gross State Product.

Two of the greatest challenges for manufacturers are hiring and maintaining a skilled and trained workforce and developing new ways of doing business that improve competitiveness.

ATAC provides training and technical assistance to both large and small manufacturers through services that include lean process improvement, Six Sigma process control training, Training Within Industry (TWI), new market and product growth strategy and management training, and many other value-added programs.

Contact us for more information or visit our web site at www.AuburnWorks.org.

Open enrollment classes

Lean Certificate Series, Oct. 13-19, Auburn. For details or to register, visit www.AuburnWorks.org, or call 1.800.446.0386.

Lean accounting: What's it all about?

EDITOR'S NOTE:

Portions of this article are condensed from a piece authored by Brian H. Maskell and Bruce L. Baggaley published in a 2006 issue of the Association for Manufacturing Excellence (AME) "Target" magazine.

"What is lean accounting?" is an oft-asked question. Everybody working seriously to implement lean thinking in their company eventually bumps up against their accounting systems. It soon becomes clear that traditional accounting systems are actively anti-lean:

- Measurements and reports promote batch production and large inventory.
- They do not identify financial impacts of the lean improvements,
- They use standard costs which are misleading for much decision making in a lean enterprise.

Lean accounting in direct terms involves applying the lean principles of waste elimination used to improve manufacturing processes, to the accounting processes.

The result is an accounting process that follows the product value stream, records costs to the appropriate value stream activity, and generates reports that accurately reflect the benefits achieved through implementing lean continuous improvement in daily business practices.

Lean accounting improves traditional accounting within a lean enterprise in that it enables more accurate costing, clear and timely communication, visual management and decision making ability that complements customer-centered manufacturing and pull system production. For more information about lean accounting and training opportunities in the topic, visit our web site at www.AuburnWorks.org.



ABOVE: Bruce Baggaley, ATAC training consultant and a nationally recognized lean accounting expert, leads a recent three-day lean accounting workshop conducted by ATAC in Pensacola, Fla. Participants ranged from The Boeing Company in Seattle, to firms from the states of Oklahoma, Michigan, Georgia and Alabama. **BELOW:** ATAC Lean Team Leader Hank Czarnecki, standing, guides a lean manufacturing simulation for Auburn University accounting students. ATAC recently conducted a full day of training in lean manufacturing for AU College of Business Assistant Professor Dewayne Searcy's graduate accounting students. Dr. Searcy includes instruction in lean accounting methods as a part of his curriculum.





Auburn Technical Assistance Center
147 Lowder Business Building
Auburn, AL 36849-5350

Auburn Technical Assistance Center was established in 1976 and is an affiliate of the Alabama Technology Network and an Economic Development Administration University Center. As an arm of the Auburn University College of Business, ATAC provides business and technical assistance, customized training, and consultation in implementing value-added strategies to manufacturers and other businesses, not-for-profit organizations and government agencies in Alabama and the Southeast. Auburn University is an equal opportunity educational institute/employer.

