Chapter 12

LEAN ACCOUNTING AND VALUE FLOW COSTING SYSTEM IN LEAN MANUFACTURING COMPANIES

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1. INTRODUCTION

For the last two decades, manufacturing businesses, which have been rapidly changing and operating in a highly competitive market, give importance to lean thinking. Lean thinking leads the way to define the value, put the value of the actions that create value in the best way, apply these activities continuously when someone asks for them and use them more effectively. Lean thinking is lean because it shows the way to achieve greater efficiency in less time with less equipment, less manpower and respond customer requests more (Womack & Jones, 2017). They adopt the principles of value, value flow, flow, drawing and perfection of lean thinking. While doing this, they rearrange their systems and value flows to increase the quality, flexibility and response time to customer of the production processes. Decisions taken by managers are made by these teams according to their business processes. The business transforms traditional structure characterized from top to bottom into a structure where continuous improvement is made by the project-oriented improvement carried out by mid-level managers. This change in the production strategy affects the performance and efficiency of the company positively.

The Shingo Award Known as the Nobel Prize in production rewards world-class companies with their commitment to lean principles and supports the continuous improvement of all people in all companies and the lean production as an integrated, complex management system that covers all individuals to which it relies on continuous improvement. (Furlan, Vinelli & Dal Pont, 2011).

Traditional accounting systems are divided into two as financial accounting and cost and management accounting. Financial accounting and reporting is an outward-looking system. It is audit-focused within the legal rules. Traditional cost and managerial accounting systems are based on scale economies and have systems that promote mass production. Lean production and lean thinking con-

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eliminate the common use of resources among value streams. If this condition is not ensured, distributions that disrupt the cost information will occur again and they prevent the method from working effectively (Aktaş, 2013).

It may be suggested to apply and analyse the issue to the businesses within the production sector comprehensively both in terms of finding guiding results for the businesses in the production sector and enriching the literature.

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