

Management Accounts Made Easy

Review by Professor D Garel Rhys CBE



The successful companies in any industry but particularly in the ultra competitive and cut throat world of vehicle making and retailing are not simply the big firms that have the potential to achieve maximum economies of scale.

Scale may often be a necessary condition for survival but the sufficient condition is where the optimum scale of firm is one that teases out maximum efficiency in every aspect of its operations. In the retail vehicle sector this means that every department from sales through service, parts, repair and Bodyshop must be profitable in their own right. This means that cost and revenue information must be available otherwise the catastrophe of cross subsidisation will be the result.

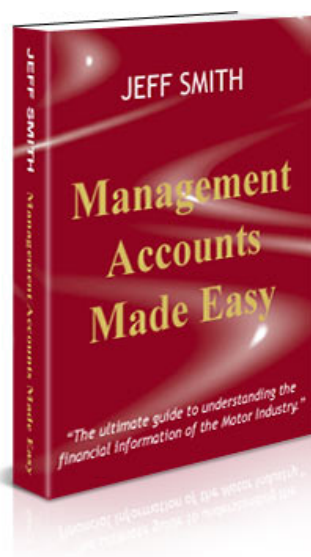
The business world is not static but is dynamic in the extreme and no more so than today. In short the successful firm enjoys economies of scale, superb cost structures but which is flexible and responsive to change. The tools needed to do this are the ones highlighted in this compelling and superb book which is at the same time rigorous and easy to comprehend - no mean feat.

If a company is not at one with itself how can it compete? An essential characteristic to achieve this is that accountants and managers must communicate with each other and understand what is being said to the common good. This is teamwork of the highest order, and teamwork which replaces fiefdoms, empires and chimney stacks is the bedrock for a modern successful enterprise.

Jeff Smith's *Management Accounts Made Easy* is therefore far more than that; this book is a manual for company survival.

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