

## USE OF KAIZEN COST REDUCTION ACCOUNTING ON EXAMPLE OF COST AND REVENUE BUDGET OF A MANUFACTURING COMPANY

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**Abstract:** Cost control is a key task in all types of businesses. However, it is particularly important in the case of manufacturing enterprises, where there are many significant cost factors. The aim of the paper is to show the possibilities offered by the use of Kaizen cost reduction accounting in the case of budget planning of a manufacturing company. The budget of the revenue and costs of a manufacturing company before and after cost reduction are presented. The research results show that the use of Kaizen cost reduction accounting effectively increases the company's financial parameters, including the sales profitability ratio. This, in turn, translates into greater opportunities for the management staff in terms of planning the development and operations of the unit.

**Keywords:** budget, cost reduction, Kaizen, Kaizen costing, manufacturing company

**JEL Classification:** M40, M41

### Introduction

The dynamically changing economy, new trends and customer requirements force companies to exercise maximum control over every area of activity. Access to information allows quick adaptation to changing conditions. This is especially important in the case of manufacturing companies, where switching to the production of different types of products than before may be problematic as well as time- and

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resource-consuming. However, proper management and awareness of the possibilities of various development paths and alternative solutions contribute to increasing the level of adaptation of an economic entity to external conditions. One of the areas where access to various solutions is particularly helpful is operating costs. There are many solutions that help reduce costs related to maintaining excessive amounts of inventory (e.g. just-in-time) or low product quality (e.g. quality costing) (Esmailian et al., 2016; Brunet & New, 2003). There are also tools, mainly designed in Japan, intended to reduce costs during the production stage, which include target costing and Kaizen costing (Kelesbayev et al., 2020; Monden & Hamada, 1991).

This paper will discuss the assumptions of Kaizen cost reduction accounting. The objective of this study is to illustrate the practical application of these assumptions. The research hypothesis posits that it is possible to achieve the planned level of profitability by using the Kaizen method to modify the budget. To verify this hypothesis, the author conducted a literature review to discern the core tenets of the aforementioned philosophy and selected a manufacturing company in addition to industry-specific data. In analyzing this data, the potential to enhance the company's profitability through modifications to the original budget is demonstrated.

## **Literature review**

### **Origin and essence of Kaizen costing**

Kaizen costing is a concept whose goal is continuous improvement. The improvement may concern various areas, such as products, processes, qualifications, and others (Maarof & Mahmud, 2016). In an enterprise, it will therefore be desirable to increase the efficiency of production processes or the provision of services. The effect of these activities is a reduction in costs in all phases of the production process, as well as in other areas of the company. The moment when Kaizen costing is implemented is at the stage of production or service provision (Miranda et al., 2020; Modarress et al., 2005). Its purpose may also be to eliminate any gaps between the planned profit and the profit achieved in the current operating conditions. If the assumed amounts of cost reductions are not achieved, the causes and persons responsible for the shortcomings are sought.

Continuous improvement costing is usually used together with other tools and techniques, e.g. target costing. Although Kaizen costing and target costing concern different phases of a product's life, when used together they can complement each other (Singh & Singh, 2009).

In the calculation of the costs of continuous improvement, two types of activities undertaken to reduce costs can be distinguished (Monden, 2011). The first type of actions are ones taken when the planned target cost has not been achieved within three months of introducing the product to the market. Then cost reduction accounting is a complement to target cost accounting (Talebnia et al., 2017; Feil et al., 2004). Employees must become familiar with the new product and its production method within a specified period of time, after which it is checked whether the planned target

cost has not been exceeded. If the effect is unsatisfactory, a special team is established to reduce the production costs of the new product (Farris et al., 2008).

The second type of activities are those undertaken systematically. They aim to achieve the planned cost reduction and the desired profit assumed in the company's annual budget, guided by the principle that the planned profit is achieved through an appropriate level of cost reduction, and not by raising sales prices or increasing sales (Suárez-Barraza et al., 2011).

The Kaizen costing philosophy includes the following tools and methods:

- Just-in-time concept – reduces unnecessary preparation time by providing the elements necessary for production exactly at the time they are needed. The method focuses on inventory control, reducing work in progress and eliminating material inventories, as well as effective cooperation with the supplier (Choi et al., 2023; Kannan & Tan, 2005).
- Value stream mapping – involves analyzing a given value stream (placing an order by the recipient, preparing for the production of the product, production processes, production-related processes, shipping the finished product, issuing an invoice, receiving payment and after-sales service) and creating a project for its improvement (Lacerda et al., 2016; Braglia et al., 2006).
- 5S – its aim is to eliminate what is unnecessary in order to quickly and easily find the necessary tools and parts. It involves the continuous application of five stages at every moment of work (sort, set in order, shine, standardize, sustain) (Gupta & Jain, 2014). It focuses on eliminating waste, improving efficiency, and continuous improvement by maintaining the appropriate quality of workstations (Imai, 2012).
- A3 report – involves preparing a report on solving the company's problems and analyzing them. It is prepared in the form of an A3 sheet of paper that is available to all employees so that they can analyze it and assess the problem. This enables continuous improvement of the company's operations and internal learning (Bordin et al., 2018; Sobek & Smalley, 2008).

### **Stages of Kaizen costing**

Cost reduction accounting is implemented gradually. There are three stages of its introduction. The first step is to determine periodic cost reduction amounts. This stage includes (Biadacz, 2024):

- development or revision of the existing medium-term financial plan of the enterprise;
- preparation of an operating budget for the next budget period, assuming that operational efficiency will remain at the same level as in the previous period;
- determination of the target cost reduction rate on an enterprise scale;
- division of the overall cost reduction goal into individual departments, along with planning activities to improve processes taking place in the enterprise;
- final preparation of the budget for the next budget period.

In the second stage, deviations between the planned and actual costs are analyzed. The reduction process is a continuous process; therefore, the situation should be monitored on an ongoing basis.

The third and last stage is the analysis of the causes of deviations in the event of failure to implement the planned cost reductions. The places where deviations occur and the persons responsible are identified.

Importantly, the Kaizen philosophy and methods based on it, such as Kaizen costing, are not one-time tools. It is a complex and long-term process with no room for short-term results. The problems that most often occur when implementing this method include (Kumar et al., 2018):

- managers' focus on short-term results;
- excessive expectations regarding the nature of improvements;
- cultural differences;
- mass simultaneous implementation of improvement proposals;
- lack of staff belief in open employee-manager dialogue;
- lack of staff belief in their own ideas for improvement;
- lack of a sense of need to improve and strive for the development of the enterprise;
- lack of involvement in the life of the enterprise without guaranteeing additional economic benefits for the originators;
- implementation of the concept in the event of a disorderly financial situation of the company.

### **Advantages and disadvantages of Kaizen costing**

The effective implementation of cost reduction accounting and the Kaizen philosophy brings many benefits to the company. They include, among others (Janjić et al., 2020; Emiliani, 2005):

- continuous process improvement – Kaizen is not a one-off tool, hence even already improved processes may be subject to further improvements, if possible.
- high competitiveness – which is forced by the process of continuous improvement of various areas of activity. This leads to achieving increasingly better results, improving employee qualifications as well as the quality of the products and services offered.
- reducing waste – the Kaizen philosophy uses the just-in-time concept in the improvement process, which leads to a reduction in downtime during work. Moreover, Kaizen assumes the improvement of production processes and the maximum use of available resources, which translates into a reduction in the amount of waste during production.
- low costs of implementation and application – when applying the Kaizen philosophy, the largest costs are generated by additional employee training and benefits.
- low risk associated with implementation – the Kaizen philosophy does not require introducing radical changes to the unit or incurring large expenditures on introducing expensive improvements in various areas.

The Kaizen costing method also has disadvantages, including (Cierna & Sujova, 2016):

- excessive meticulousness – because Kaizen focuses on improving small things, it may lead to an excessive focus on unimportant details, the improvement of which will not have a significant impact on overall work efficiency.

- a rigid concept of organizational culture – this is a problem in European companies, which may approach building the organizational structure of the company differently than Asian companies for which this tool is adapted.
- long-term process – implementing the Kaizen philosophy and obtaining visible effects takes time, which may be discouraging or even impossible for some companies. For example, for a company on the verge of bankruptcy, such a solution will not work because its situation requires quick, large-scale action.
- small scope of changes – Kaizen assumes introducing small changes that will improve long-term effectiveness and gradual improvement of the company's situation. Nevertheless, this is not a solution that will result in quick and radical changes.

A literature review enabled the identification of assumptions regarding the application of Kaizen philosophy that can be related to business practice. Primarily, the most opportune moment to implement methods associated with this philosophy is before the commencement of production, and thus, during the budgeting phase. Once a company has a finalized budget, the method of continuous improvement is implemented, seeking areas where better results can be achieved without radical changes. Alternatively, one can approach this from the perspective of expected outcomes, such as profitability indicators. The original budget indicates the potentially achievable profitability. If a company aims to exceed its current profitability level, as suggested by a benchmark analysis, it then investigates the extent to which costs must be reduced or sales increased. At this stage, the method of continuous improvement is applied. Based on a case study, a practical example of Kaizen costing will be demonstrated, assuming the company has prepared a budget and aims to achieve a higher level of profitability than is indicated by this budget.

## **Research methodology**

In order to verify the research hypothesis, it was necessary to conduct an analysis of the Kaizen costing assumptions and Kaizen philosophy identified in the literature review. For this purpose, the author utilized data from an anonymous manufacturing company. The data analyzed in the study was derived from the company's 2023 annual financial report. Based on this data, a budget for revenues and costs associated with the production of two products offered by the company was prepared. Subsequently, a profitability analysis was conducted and it was compared to the profitability of companies with similar business profiles to determine the target level of profitability that the company could achieve. Based on these values, an analysis of the level of cost reduction was conducted. In the final step, a new budget that reflects a reduced cost level and increased sales profitability is presented.

## **Practical application of Kaizen costing**

The Kaizen philosophy can be applied in various areas of the company's operations. This paper will present its use in the area of budget preparation. The procedure for calculating the optimal amount of cost reduction is also presented. All the calculations

concern two products. Product X is a serial product, while product Y is a personalized product. The data comes from a large manufacturing company that produces and sells traditional and electric bicycles.

The company is one of the largest Polish enterprises specializing in bicycle production. It offers a wide range of products, from advanced mountain bikes to urban models. Thanks to its own production facilities, the company has full control over the production process, which translates into high product quality and the ability to quickly respond to changing market trends. The organizational structure is typical for manufacturing companies, with clearly defined departments of production, sales, marketing, in addition to research and development.

The company's product range includes mountain bikes, road bikes, city bikes, and electric bikes, as well as a wide selection of accessories and bicycle components. The bicycle market is extremely competitive, both domestically and internationally. The company operates in an environment with numerous competitors, including large multinational corporations and smaller local producers. The company's success is based on continuous development, innovation, and adapting its offer to the changing needs of customers. The company focuses on high product quality, modern design, and attractive prices, which allow it to maintain its leading position on the Polish bicycle market.

### Budget before cost reduction

**Table 1. Budget of revenue and costs before cost reduction**

Item	Product X	Product Y
<b>Budget</b>		
Sales (pcs)	177	28
Unit price	3 500	7 000
Sales revenue	464 411	199 033
Production (pcs)	177	28
Direct materials (cost per unit)	1 550	3 500
Direct materials total	274 350	98 000
	372 350	
Direct wages (cost per unit)	480	550
Direct wages total	84 960	15 400
	100 360	
Other variable costs (cost per unit)	12	33
Other variable costs total	2 135	915
	3 050	
Variable unit cost (cost per unit)	2 042	4 083
Variable costs total	361 445	114 315
	475 760	

Source: Author's own research

The budget assumes that the sales volume of product X will be 177 units, representing more than 460 000 PLN in sales revenue, while the sales of product Y will be 28 units, representing nearly 200 000 PLN in sales revenue. The variable costs include direct materials (totaling over 370 000 PLN), direct wages (totaling over 100 000 PLN), and other variable costs (over 3000 PLN). In total, the variable costs amount to over 475 000 PLN.

Table 2 shows the indirect cost budget before cost reduction.

**Table 2. Budget of fixed departmental costs, management and sales costs before cost reduction**

<b>Budget for fixed departmental costs</b>	
Depreciation	28 640
Other wages	37 500
Other expenses	15 600
Fixed departmental costs	81 740
<b>Budget for management and sales costs</b>	
Management and sales costs	75 000

Source: Author's own research

The company's indirect costs include depreciation, other wages, other expenses, and fixed department costs. The budget also included management and sales costs.

A pro forma profit and loss account was prepared according to the presented budget, which includes the first- and second-degree margin in addition to the financial result achieved before cost reduction. The calculation is presented in Table 3.

**Table 3. Pro forma income statement before cost reduction**

<b>Item</b>	<b>Product X</b>	<b>Product Y</b>
Sales revenue	464 410.80	199 033.20
Variable costs	361 445.00	114 315.00
<b>1st degree coverage margin</b>	<b>102 965.80</b>	<b>84 718.20</b>
Fixed departmental costs	81 740	
<b>2nd degree coverage margin</b>	<b>105 944</b>	
Fixed management and sales costs	75 000	
<b>Financial result</b>	<b>30 944</b>	

Source: Author's own research

The final financial result before cost reduction amounted to nearly 31 000 PLN. In its calculations, the company also takes into account sales profitability. The level of sales profitability before cost reduction is presented in Table 4.

**Table 4. Sales profitability before cost reduction**

Item	Product X	Product Y
1st degree coverage margin rate (%)	22.17	42.56
2nd degree coverage margin rate (%)	15.97	
<b>Return on sales ROS (%)</b>	<b>4.66</b>	

Source: Author's own research

Before cost reduction, the company's sales profitability was 4.66%.

### Cost reduction

In order to present the benefits resulting from the opportunities offered by cost reduction, it was assumed that the company wants to increase its sales profitability and would use Kaizen costing tools for this purpose. Moreover, only variable costs incurred by the entity are to be reduced. This is to demonstrate how cost reduction accounting works. In reality, reducing direct costs can be difficult to achieve and may result in a lower quality of the products. For this reason, it is usually the indirect costs that are reduced first.

The target reduction in variable costs is presented in Table 5. It was assumed that the desired sales profitability is to be 10%, which means that the target cost reduction rate is 6.74%.

**Table 5. Target reduction of variable costs**

Item	Value
Sales revenue budget	663 444.00
Target sales profitability	10.00%
Target sales profit	63 027.18
Budgeted sales profitability	4.66%
Budgeted profit from sales	30 944.00
Target cost reduction amount	32 083.18
<b>Target variable cost reduction rate</b>	<b>6.74%</b>

Source: Author's own research

Tables 6-10 present detailed reduction amounts by product and the type of cost.

Assuming a reduction rate of 6.74%, the company must reduce the amount of direct costs incurred by a total of over 32 000 PLN. This can be achieved, for example, by changing suppliers, using cheaper raw materials, or reducing the number of direct production workers.

The amount of reduction is adjusted as a percentage of the share of a given product in the unit's total variable costs included in the budget. Product X generates 75.97% of the variable costs, while product Y generates 24.03%.



**Table 6. Target cost reduction amounts by cost type**

<b>Item</b>	<b>Value</b>
Direct materials	25 109.66
Direct wages	6 767.84
Other variable costs	205.68
<b>Total</b>	<b>32 083.18</b>

Source: Author's own research

**Table 7. Reduction of total variable costs**

<b>Reduction of total variable costs</b>	<b>Share (%)</b>	<b>Reduction amount</b>
Product X	75.97	24 374.27
Product Y	24.03	7 708.91
<b>Total</b>		<b>32 083.18</b>

Source: Author's own research

The total variable costs must be reduced by over 24 000 PLN in the case of product X and by 7700 PLN in the case of product Y. This type of cost is the sum of all the variable costs, therefore its reduction results from the reduction of these costs.

**Table 8. Reduction of direct materials costs**

<b>Reduction of direct materials costs</b>	<b>Share (%)</b>	<b>Reduction amount</b>
Product X	75.97	19 076.34
Product Y	24.03	6 033.32
<b>Total</b>		<b>25 109.66</b>

Source: Author's own research

The direct materials costs must be reduced by 19 000 PLN in the case of product X and by 6000 PLN in the case of product Y. Direct material costs can be reduced in several ways. One approach is to find cheaper substitutes for the materials currently used. Nonetheless, this may result in a decline in the quality of the final product. Another strategy is to improve or implement new technological processes that utilize materials more efficiently and effectively.

**Table 9. Reduction of direct payroll costs**

<b>Reduction of direct payroll costs</b>	<b>Share (%)</b>	<b>Reduction amount</b>
Product X	75.97	5 141.67
Product Y	24.03	1 626.17
<b>Total</b>		<b>6 767.84</b>

Source: Author's own research

The direct wage costs must be reduced by over 5000 PLN for product X and by over 1600 PLN for product Y. Reducing direct labor costs is a complex issue with multifaceted implications. Employers are constrained by minimum wage regulations, while undercompensation can lead to decreased employee morale and productivity, ultimately impacting the quality of the final product. One strategy to mitigate labor costs involves conducting a thorough analysis of staffing requirements to identify potential redundancies and optimize workforce allocation. Another approach is to consider alternative employment models, such as subcontracting, to reduce direct labor expenses.

**Table 10. Reduction of other variable costs**

Reduction of other variable costs	Share (%)	Reduction amount
Product X	75.97	156.26
Product Y	24.03	49.42
<b>Total</b>		<b>205.68</b>

Source: Author's own research

The remaining variable costs must be reduced by over 150 PLN in the case of product X and by nearly 50 PLN in the case of product Y.

### Budget after cost reduction

After taking into account the assumed cost reduction, a new budget was prepared for the company, which is presented in Table 11.

As mentioned earlier, reducing direct costs can result in lower quality, and consequently, lower sales revenue. For simplicity, we assume that the sales level in the example remains unchanged. The direct costs have been reduced accordingly, and in the new budget the direct materials amount to nearly 350 000 PLN, direct wages to nearly 94 000 PLN, and variable costs to over 440 000 PLN.

**Table 11. Budget of revenue and costs after cost reduction**

Item	Product X	Product Y
<b>Budget</b>		
Sales (pcs)	177	28
Unit price	3 500	7 000
Sales revenue	464 411	199 033
Production (pcs)	177	28
Direct materials (cost per unit)	1 442.22	3 711.70
Direct materials total	255 273.66	91 966.68
	347 240.34	
Direct wages (cost per unit)	450.95	491.92
Direct wages total	79 818.33	13 773.83

Item	Product X	Product Y
	93 592.16	
Other variable costs (cost per unit)	11.18	30.91
Other variable costs total	1 978.74	865.58
	2 844.32	
Variable unit cost (cost per unit)	1 904.35	4 234.54
Variable costs total	337 070.73	106 606.09
	443 676.82	

Source: Author's own research

The budget of indirect costs after cost reduction is presented in Table 12.

**Table 12. Budget of fixed departmental costs, management and sales costs after cost reduction**

Budget for fixed departmental costs	
Depreciation	28 640
Other wages	37 500
Other expenses	15 600
Fixed departmental costs	81 740
Budget for management and sales costs	
Management and sales costs	75 000

Source: Author's own research

No changes were made to the indirect costs budget, thus the amounts are the same as before the cost reduction.

The pro forma income statement and sales profitability after cost reduction are presented in Tables 13-14.

**Table 13. Pro forma income statement after cost reduction**

Item	Product X	Product Y
Sales revenue	464 410.80	199 033.20
Variable costs	337 070.73	106 606.09
<b>1st degree coverage margin</b>	<b>127 340.07</b>	<b>92 427.11</b>
Fixed departmental costs	81 740.00	
<b>2nd degree coverage margin</b>	<b>138 027.18</b>	
Fixed management and sales costs	75 000.00	
<b>Financial result</b>	<b>63 027.18</b>	

Source: Author's own research

Given that financial performance is a function of revenue minus expenses, a reduction in expenses will directly correlate with an increase in net income. Consequently, a 32 000 PLN decrease in costs will yield a 32 000 PLN increase in the financial result.

**Table 14. Sales profitability after cost reduction**

Item	Product X	Product Y
1st degree coverage margin rate (%)	27.42	46.44
2nd degree coverage margin rate (%)	15.97	
<b>Return on sales ROS (%)</b>	<b>9.50</b>	

Source: Author's own research

The financial result after cost reduction amounted to over 63 000 PLN, while the sales profitability was increased to 9.50%, which, considering the expected increase to 10%, is a very good result.

In summary, the changes observed in the budget are as follows:

- decreased variable costs: most notably, there was a decrease in variable costs, such as direct materials and labor. This is a direct result of implementing the Kaizen method, which focuses on continuous process improvement and waste reduction.
- increased profitability: due to the reduction in costs, the total costs decreased, leading to an increase in both the gross and net profit margins. Consequently, the company achieved higher sales profitability.
- stability of fixed costs: fixed costs, such as rent and administrative salaries, remained relatively constant. This area was not targeted for cost reduction owing to the limited potential of the Kaizen method for reducing fixed costs.

These changes were achieved by implementation of the Kaizen method. Based on the principles of this method, the supply chain was optimized. It was assumed that the company was able to find cheaper suppliers or negotiate better terms. Changes in the production processes were also assumed, where new technologies or improvements could have been introduced, increasing efficiency and reducing material consumption. Additionally, changes in the employment structure were considered. The company may have optimized its workforce, leading to lower labor costs.

## Conclusions

The Kaizen philosophy can be applied in various areas of a company's operations, but it is most often implemented in the area of production or service provision. Kaizen cost reduction calculation comes from this philosophy, which helps improve the company's financial results without introducing radical changes to the entire production process.

In this paper, it was shown what the use of cost reduction calculations can look like in practice, using the example of the budget of a manufacturing company.

The results of these analyses have confirmed the research hypothesis of this paper, indicating that the principles of Kaizen philosophy can be successfully applied to enhance budget management and improve the financial performance of companies.

Table 15 shows the results of the cost reduction.

**Table 15. Budget summary before and after cost reduction**

Item	Before reduction	After reduction	Difference
Direct materials	372 350.00	347 240.34	-25 109.66
Direct wages	100 360.00	93 592.16	-6 767.84
Other variable costs	3 050.00	2 844.32	-205.68
Total variable costs	475 760.00	443 676.82	-32 083.18
Financial result	30 944.00	63 027.18	+32 083.18
Profitability of ROS sales	6.74%	9.50%	+2.76%

Source: Author's own research

It can be noted that the planned cost reduction was successfully implemented in the presented budget. At the level of direct materials, the change amounted to over 25 000 PLN, which resulted in reduced costs in this area. Direct payroll costs were also reduced and here the change amounted to nearly 6800 PLN. The decrease in other variable costs amounted to over 200 PLN. In total, the variable costs were reduced by over 32 000 PLN. The financial result increased by the same amount because the cost reduction concerned only the variable costs of the investigated company. The increase in financial results also translated into a rise in profitability by 2.76 percentage points to 9.50%. The assumed profitability level of 10% was not achieved, but the obtained result is very close, which proves that the planned level of cost reduction brought the expected results.

Based on the conducted analysis, the following conclusions can be drawn:

1. effectiveness of the Kaizen method: the implementation of the Kaizen philosophy in the manufacturing company yielded tangible financial benefits in the form of a significant reduction in variable costs and increased profitability. This confirms the effectiveness of this approach in practice.
2. relationship between costs and quality: cost reduction should not occur at the expense of product quality. In the analyzed case, it was possible to achieve cost reduction while maintaining quality (no decrease in revenue), which indicates skillful process management.

Importantly, cost reduction calculations work only on numerical data. They do not provide information on how to reduce specific types of costs. There is no universal answer to this because each company is different and operates in different market conditions. Therefore, decisions regarding which cost groups should or can be

reduced always remain the responsibility of managers, who should conduct appropriate analyses. This is important because reducing costs without taking into account the specific conditions of the company and its activities, may lead to significant deterioration in the quality of the offered products or services or to the outflow of employees. However, when properly implemented, cost reduction accounting enables better results to be achieved, which in turn translates into greater opportunities for company development.

Based on the conducted research, practical implications can be drawn for the implementation of the Kaizen method in the production process, both for businesses and researchers.

Practical implications for businesses:

- implementation of the Kaizen method: companies seeking to enhance their competitiveness and financial performance should consider implementing the Kaizen method.
- focus on variable costs: variable costs are more susceptible to reduction than fixed costs. Therefore, efforts should be concentrated on optimizing production processes and the supply chain.
- cultivating an organizational culture: it is essential to create a company culture that fosters innovation and continuous improvement.
- monitoring results: regular monitoring of the results of implemented measures will allow areas requiring further improvement to be identified.

Practical implications for researchers:

- further research: it is worthwhile to conduct further research into the effectiveness of the Kaizen method across various industries and types of enterprises.
- analysis of influencing factors: the factors that have the greatest impact on the success of implementing the Kaizen method should be identified.
- investigating long-term effects: it is important to study the long-term effects of implementing the Kaizen method.

In conclusion, the analysis conducted in this paper confirms that the Kaizen method is an effective tool for improving the efficiency of manufacturing companies. Nevertheless, to achieve lasting results, the engagement of all employees and continuous process improvement are essential.

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## WYKORZYSTANIE RACHUNKU REDUKCJI KOSZTÓW KAIZEN NA PRZYKŁADZIE BUDŻETU KOSZTÓW I PRZYCHODÓW PRZEDSIĘBIORSTWA PRODUKCYJNEGO

**Abstrakt:** Kontrola kosztów jest kluczowym zadaniem we wszystkich rodzajach przedsiębiorstw. Jest ona jednak szczególnie ważna w przypadku przedsiębiorstw produkcyjnych, gdzie czynników kosztotwórczych jest bardzo dużo. Celem artykułu jest pokazanie możliwości, jakie daje zastosowanie rachunku redukcji kosztów Kaizen w przypadku planowania budżetu przedsiębiorstwa produkcyjnego. Przedstawiono budżet przychodów i kosztów przedsiębiorstwa produkcyjnego przed i po redukcji kosztów. Wyniki badań pokazały, że wykorzystanie rachunku redukcji kosztów Kaizen skutecznie podnosi parametry finansowe przedsiębiorstwa, między innymi wskaźnik rentowności sprzedaży. To z kolei przekłada się na większe możliwości kadry menedżerskiej w zakresie planowania rozwoju i funkcjonowania jednostki.

**Słowa kluczowe:** budżet, redukcja kosztów, Kaizen, Kaizen Costing, firma produkcyjna

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