

HOW MANAGEMENT ACCOUNTING DRIVES SUSTAINABLE SUCCESS

WHAT MANAGEMENT ACCOUNTANTS DO

Management accountants are trusted to guide critical business decisions and drive strong business performance.

They combine financial expertise and business acumen to achieve sustainable business success. They understand how the different parts of the business need to come together.

Chartered Global Management Accountants (CGMAs) are committed to professional ethics and a code of conduct. A single syllabus and examination standard ensures the consistency of a CGMA's skills all over the world.

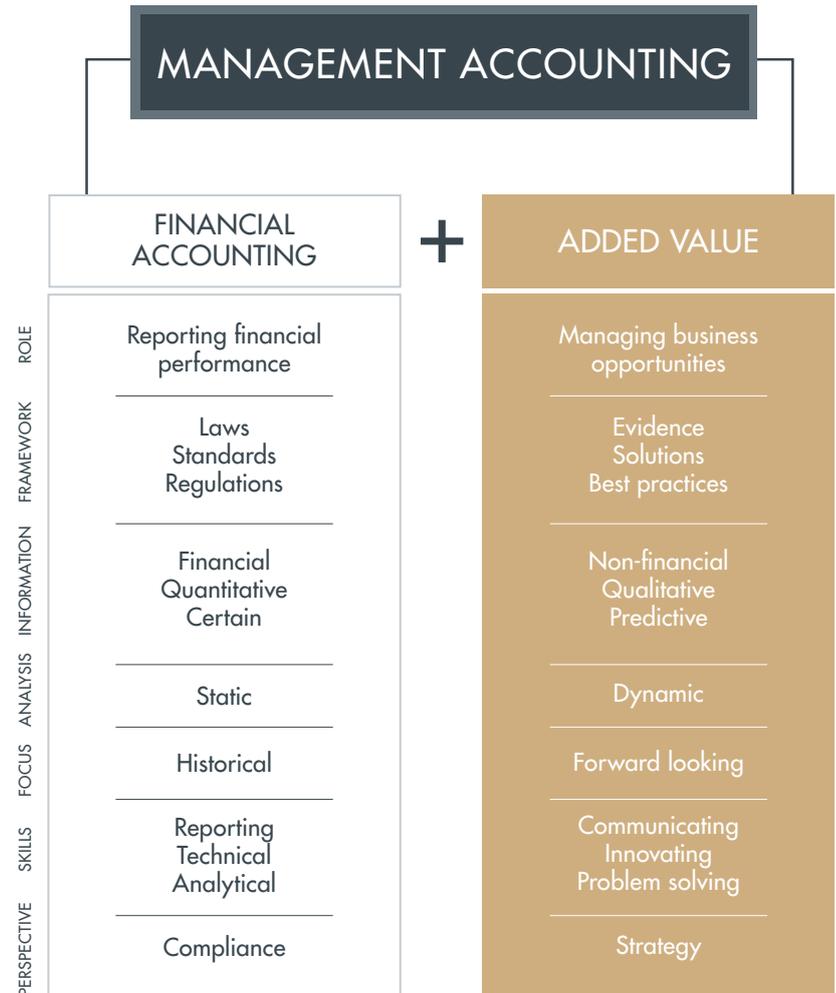
While many CGMAs work in the finance department, others put their broader business training to use across the organisation, including the roles of Board Director, Chairman and CEO.

A GLOBAL PROFESSION

AICPA, the American Institute of Certified Public Accountants and CIMA, the Chartered Institute of Management Accountants, two of the world's most prestigious accounting bodies, have formed a joint venture to elevate the profession of management accountancy by establishing CGMA as the most valued, globally recognised management accountant designation.

MANAGEMENT ACCOUNTING IS MORE THAN YOU THINK

Chartered Global Management Accountants combine financial expertise and business acumen.



1 WHAT THE BOARD/MANAGEMENT NEEDS



2 HOW A CGMA DELIVERS



3 HOW AICPA AND CIMA SUPPORT CGMA_s

AIMS

Responsible for leading long-term, sustainable success of the company or organisation (irrespective of size in the private and public sector)*

Links the board objectives and the business, enabling the right decisions to be made, be appropriately funded* and correctly implemented throughout the organisation – short and long-term

Supports the success of individuals, organisations and countries: 'It's never been a better time to be a management accountant'*

ROLES

- Determine/approve/oversee:
 - › short and long-term strategy
 - › business model
 - › risk appetite

- Manage performance, support and drive decision making
- Be the 'financially grounded business navigator':
 - › understand both the business and its finances
 - › creating, reporting and preserving value

- Provide the best management accountants to the world's employers to help them drive sustainable success

SKILLS

- Quality decision making:
 - › strategic development
 - › risk mitigation and assessment
- Oversight of:
 - › capital and resource allocation
 - › strategy implementation
- Enterprise risk management
- Business control
- Talent identification, assessment and development
- Setting incentives:
 - › executive pay
 - › bonuses
 - › results related pay

MANAGEMENT ACCOUNTING

- Map journey – strategy to planning to execution
- Align KPIs to outcomes
- Business support e.g. scenario planning, pricing
- Quality information, analysis and evaluation – decisions and resource allocation
- Cost leadership and improved productivity
- Project and investment appraisal
- Tax risk management and planning
- Treasury and cash management
- Enterprise risk management
- Business control
- Oversight – control and performance management
- Effective management information (financial and non-financial)
- External reporting

- Professional qualification – academic and practical experience
- Flexible study system
- Continuing Professional Development (CPD)
- Support/communities
- Integrity helpline and support
- Thought Leadership:
 - › enterprise governance
 - › performance management
 - › reporting
 - › ethics and sustainability
 - › future of finance
- Global perspective and best practice
- Integrity of the profession

MANAGERIAL

- Communication – translate complexity
- Strategic change, project, relationship and operational management

DATA AND PROCESS

- Transparency
- Quality internal/external data (knowledge, data-warehouse)
- Accounting operations

BEHAVIOURS

- Sets appropriate tone
- Articulates clear vision
- Inspires and empowers
- Looks forward and outward

- Acts with integrity, credibility and influence
- Offers constructive challenge and objective view
- Is the ethical conscience of the organisation

- Sets professional standards
- Defines code of conduct and ethics
- Enforces disciplinary procedures and sanctions
- Develops research, tools and techniques

INFLUENCE

- Customers
- The business
- Business partners
- Community and environmental stakeholders
- Regulators
- Shareholders

- The board
- Senior management
- Colleagues in all departments
- Peers in finance function
- Business partners

- Employer recognition
- Members
- Students
- Academic partners

*The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company: FRC – June 2010

*Cash is king. Most businesses fail not because they don't make a profit but because they run out of cash

*The global credit crisis, the sovereign debt crisis and the economic downturn gave rise to a 'perfect storm', emphasising the growing need for management accounting

**THE CGMA IS
FOUNDED ON
THE CIMA SYLLABUS**

Established in 1919, CIMA is the world's leading and most respected management accountancy body, with members and students in 168 countries. The diagram below sets out the CIMA Professional Qualification syllabus. The syllabus is divided into operational, managerial and strategic levels, with interim qualifications awarded at each stage. The diagram also details the weightings given to each exam topic at the different levels. Before qualifying, candidates must also pass the Test of Professional Competence and fulfil three years practical experience requirements.

CIMA Professional Qualification Syllabus						
	ENTERPRISE	PERFORMANCE	FINANCIAL			
STRATEGY	Interacting with the competitive environment	20%	Management control systems	10%	Formulation of financial strategy	25%
	Change management	20%	Risk and internal control	25%	Financial decisions	30%
	Evaluation of strategic options	30%	Review and audit of control systems	15%	Investment decisions and project control	45%
	Implementation of strategic plans	30%	Management of financial risk	35%		
		Risk and control in information systems	15%			
MANAGEMENT	CIMA Advanced Diploma in Management Accounting					
	Strategic management and assessing the competitive environment	30%	Pricing and product decisions	30%	Group financial statements	35%
	Project management	40%	Cost planning and analysis for competitive advantage	30%	Issues in recognition and measurement	20%
	Management of relationships	30%	Budgeting and management control	20%	Analysis and interpretation of financial accounts	35%
		Control and performance measurement of responsibility centres	20%	Developments in external reporting	10%	
OPERATIONS	CIMA Diploma in Management Accounting					
	The global business environment	20%	Costing accounting systems	30%	Principles of business taxation	25%
	Information systems	20%	Forecasting and budgeting techniques	10%	Regulation and ethics of financial reporting	15%
	Operations management	20%	Project appraisal	25%	Financial accounting and reporting	60%
	Marketing	20%	Dealing with uncertainty in analysis	15%		
Managing human capital	20%	Managing short-term finance	20%			

In the United States, CGMAs are generally qualified CPAs with management accounting experience who are committed to professional ethics and a code of conduct equivalent to that of CIMA's. US CPAs have taken a uniform examination and met education and experience requirements set by state governmental agencies.

**CONTINUING PROFESSIONAL
DEVELOPMENT (CPD)**

Chartered Global Management Accountants continuously sharpen their business acumen through Continuing Professional Development (CPD). This ensures that management accounting skills, tools and techniques of CGMAs are up to date.

CGMA CASE STUDIES

CGMAs are guiding critical business decisions and driving strong business performance all over the world using management accounting research, tools and techniques.



15% Net present value over three to four years. Project has provided foundation for acquisitions worth multiple billions of dollars.
Simon Henry CGMA,
Group CFO, Royal Dutch Shell



£25m Savings and staff redeployed into higher value work.
Steve Swientozielskyj CGMA,
Head of Finance Shared Services,
Network Rail



60% Cost savings switching EMEA into shared service centre.
Boonsiri Somchit-Ong CGMA,
Vice President Global Accounting,
AMD, Kuala Lumpur



\$1bn Added to the bottom line of a global FMCG client over an 18 month period.
Justin Watson,
Head of Finance Talent, Deloitte



£65m Spend on innovative green technologies resulting in a distillery that recycles 31% of its water and 85% of its steam and electrical power.
Paul Walsh CGMA,
CEO, Diageo

For more information go to www.cgma.org



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