

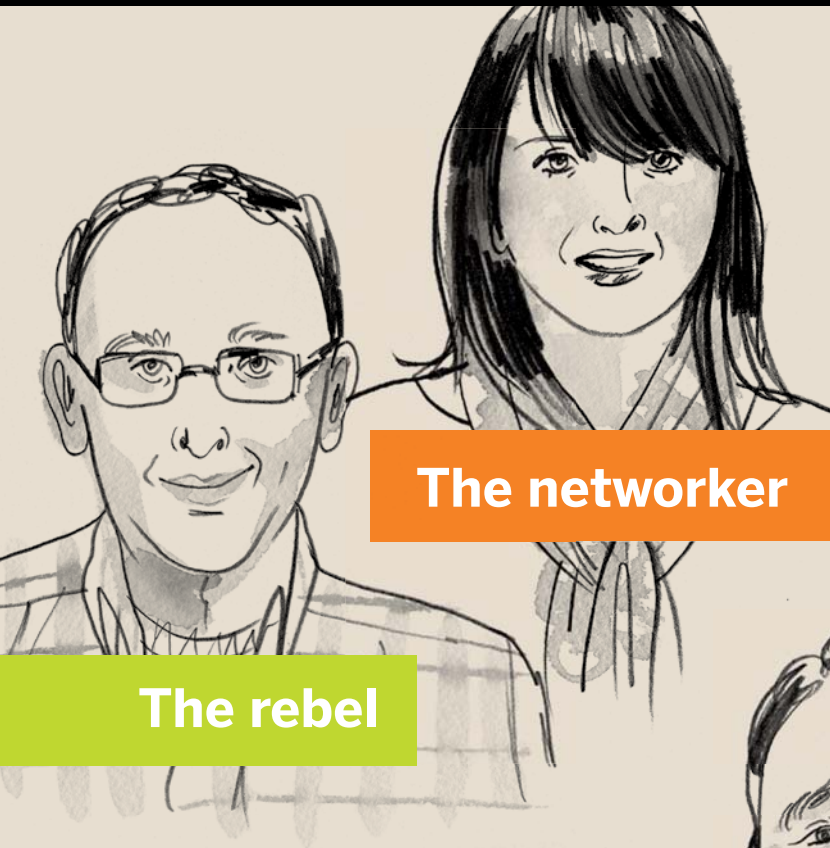
CMA magazine

THE VOICE OF MANAGEMENT ACCOUNTING
WWW.CMAMAGAZINE.CA



JULY/AUGUST 2013

Be a virtually perfect boss
Mobile IT nightmares
Love your competition
Ready for the data tsunami?



The networker

The rebel

You Inc.

What it takes to fly solo

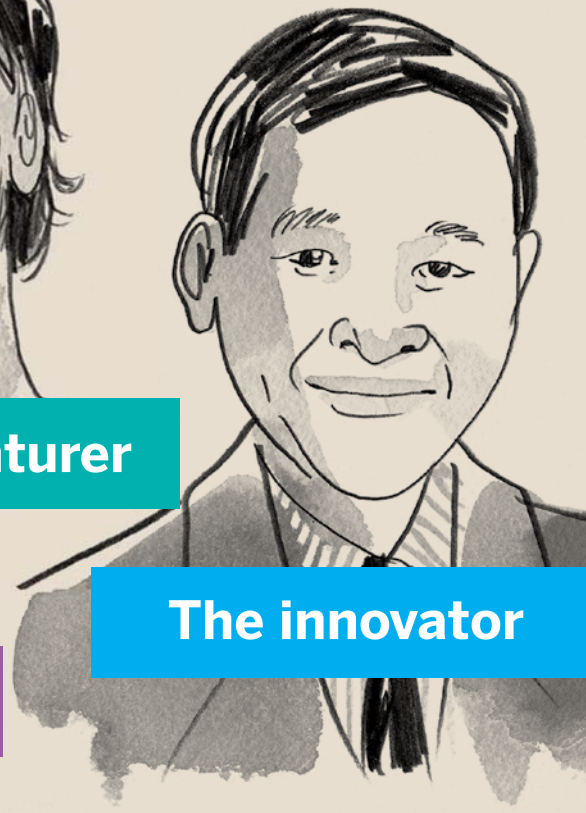
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The adventurer



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The innovator



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CICA and CMA Canada joined together on Jan. 1, 2013, to create CPA Canada as the national organization that supports unification of the Canadian accounting profession under the CPA banner.

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First some bragging!

CMA magazine was thrilled to receive four nominations — our first ones ever! — for the annual Kenneth R. Wilson Awards in Canadian business-to-business publishing. And we won a silver award for Best Feature Article — Professional for **Naheed Mustafa's** “The Trillion-Dollar Pie” (May/June 2012).

But there's more! CMA magazine also earned an honourable mention for Trade Magazine of the Year from the Canadian Society of Magazine Editors.

Thanks to all who have written, edited, critiqued and inspired this award-winning publication. Bravissimo!

Did the May/June 2013 Change Issue leave you thinking about change? Approximately 99,000 new small businesses are launched in Canada every year. For some CMAs, stepping into the brave new world of entrepreneurship is the way to go.

By definition, entrepreneurs “organize and operate a business or businesses, taking on financial risk to do so.” Strategy, management and accounting: could there be a better combination for people planning to strike out on their own?

In “You Inc.” (p. 22), **Michelle Singerman** interviews five CMAs who have taken risks, sparked innovation and, yes, rebelled. But if taking the leap into self-employment seems too far-fetched for you, could you apply their real-life strategies in your workplace?

Jaclyn Law's “The Starting Line” (p. 26) goes into the nuts and bolts of starting up. Do you have what it takes to step out on your own? Check out BDC's entrepreneurial self-assessment questionnaire at <http://ow.ly/ISpF9> to see where you stand.

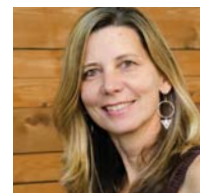
Finally, we're ramping up, but we're also winding down. The final issue of CMA magazine will be published in November/December 2013. CPA Canada will begin publishing a new magazine for the unified accounting profession in 2014.

We need your help. Please send us your memories so we can create a special, final edition that pulls together 87 years of CMA history. We're looking for quotations, photos and stories. Please see page 6 for more details.

Enjoy the read! And as always, please send in your feedback. It helps us develop story ideas, determine if we're moving in the right direction and, ultimately, come through with a win. Make that two wins!

Mara Gulens

Editor-in-Chief
mgulens@cpacanada.ca
Twitter: @CMAmagazine



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CATHY LOGUE, SHERIZA PERABTANI & JOANNE ELEK

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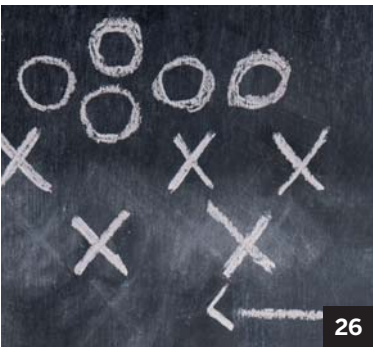
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90 of Canada's top 100 companies count on the CPA for their payroll education and knowledge



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Professionally speaking

Ethics. Change. These are growing concerns for CMAs. Help us celebrate the final issues of *CMA magazine* and prepare for a new era.

I cannot agree more with Jules Muis (“Financial Steward or Business Partner?” Mar./Apr. 2013) that separation of the controllership from the treasury and restoration of the controllers to the board are good moves. In the case of Enron, the CFO, who was not an accountant, overrode the controllership and compliance function with “creative financial management.”

In Hong Kong, a CFO must be a member of the Hong Kong Institute of Certified Public Accountants. A company secretary must be either a chartered secretary, a CPA or a solicitor/barrister. Once convicted, a professional accountant is removed from the register and has no chance of re-entering the profession or qualifying as a CFO or company secretary.

Canada’s unified CPA will be good for this reason if the Toronto Stock Exchange can be brought on board to do the same.

— **Dr. Eric Fok, CMA**
Hong Kong



CMA welcomes letters to the editor

Contact us at letters.editor@cma-canada.org or www.twitter.com/cmamagazine. Join us in the LinkedIn group named **Certified Management Accountants of Canada**.

Letters may be edited for clarity and brevity.

I’m involved in a change in our organization and agree with a lot of the information in the May/June 2013 issue. I’m curious about the approach used in the change workshop you mentioned in your editorial. I also really like the comic book graphics!

— **Joanne Lécuyer, CMA**, Ottawa, Ont.

Our response: *The workshop used a visual narrative approach that helped us unfold our thought processes to gain insight. See www.windoakdove.com.*

Tweets

That (May/June 2013 issue) was one of the better *CMA magazine* issues I’ve ever read. Nice job @CMAmagazine!

— **@newmusicmichael**

Lots to offer in the online May/June issue of *CMA magazine*. Take in the sun (finally) and enjoy!

— **@prophetbg**

Help create the CMA memory box

What words, image, memory or quotation sums up your pride as a CMA?

We’re looking for your input for the final issue of *CMA magazine*, which will be published in Nov./Dec. 2013. CPA Canada will begin publishing a new magazine for the unified accounting profession in 2014.

Please reach into your memory box to share in the celebration. We’re looking for

- quotations
- photos
- stories of your proudest or most unforgettable moment
- handwritten notes (please scan)
- anything that sums up 87 years of management accounting!

Please email submissions to letters.editor@cma-canada.org by **July 15, 2013**. We’ll add your name to our raffle for a **\$50 gift certificate at Best Buy.***

Submissions may be edited for clarity and brevity; they are not guaranteed a place in the magazine.

*You must be a CMA to enter. Please include your membership number in your email.

Making it right

You said these are the biggest challenges to running your own business:

- a) retaining and expanding your customer base
- b) staying current with market demands
- c) knowing what your investors want and keeping them happy
- d) being able to play many roles at once, especially in the beginning



For more on flying solo, turn to **page 26**.



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News and numbers

CMA NEWSMAKERS

Lies, damned lies and hockey

Richard J. Bendell blends his love of Canada's national game and his decades of experience as a CMA in *1972: The Summit Series: Canada vs. USSR: Stats, Lies & Videotape*.

In this new self-published book, Bendell reveals the errors in the original statistics and uncovers new numbers. The information is based on player transcripts, screen shots from the 2002 DVD, interviews with Soviet hockey historians, and other sources.

"The book offers over 80 pages of professionally formatted statistical tables," says Bendell. "The feat would have been extremely difficult without the benefit of my experience and training as a CMA."

Check it out at <http://amzn.to/15yby2B>.



AWARD WINNERS

Public sector financial leaders recognized

Winners of the Award of Excellence for Comptrollership in the Public Sector were announced at a gala event in Ottawa on May 8.

Roch Huppé and Jim Saunderson won the Financial Leadership Award. Huppé is the CFO of Fisheries and Oceans Canada. Saunderson is the executive director of finance and corporate management and CFO of Western Economic Diversification Canada.

Richard J. Neville won the CMA-CIPFA Lifetime Achievement Award. He is the former deputy comptroller general of Canada and the former vice-president of finance and administration and CFO of the Royal Canadian Mint.

"Each individual is a brilliant example of leadership and commitment in enhancing management and comptrollership within the federal government," said Joy Thomas, executive vice-president, CPA Canada.

For more information, see <http://bit.ly/12u1p1o>.



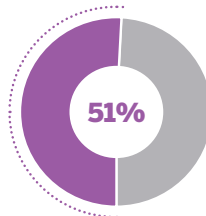
VIEW FROM THE C-SUITE

Financial execs focus on foreign exchange

I think foreign exchange management is important to my business



My company has a formal policy to manage foreign exchange risk



Source: Canadian Financial Executives Research Foundation, *Foreign Exchange Risk Management: Perspectives from Financial Executives*, April 2013. Download the report at <http://bit.ly/16T68iA>.

CROSS-COUNTRY CHECKUP

Competitive Canadian cities

Calgary ranks second overall for global competitiveness, says a report released at the end of March by the Toronto Region Board of Trade and CMA Ontario.

The report compares 23 Canadian and international metropolitan areas. Paris is in first place.

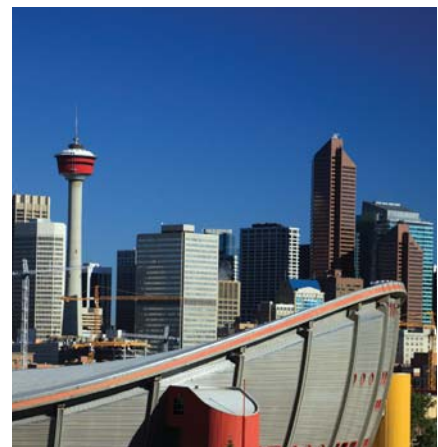
Toronto is in sixth place and came out ahead of the seven U.S. cities surveyed. Vancouver, Montreal and Halifax appear respectively in the 14th, 17th and 18th places.

The ranking is based on 18 economic indicators and 15 labour attractiveness indicators. Download *Toronto as a Global City: Scorecard on Prosperity 2013* at <http://bit.ly/Zm0e4L>.

Four years from now, Vancouver could be more competitive if a \$30-million digital strategy approved by city council in mid-April delivers on a promise of expanded open data, promotes digital access to city services and establishes a digital incubator for local businesses.

The plan includes input from focus groups with businesses, citizens and employees and from an online ideas platform held at the end of December 2012.

Read *City of Vancouver Digital Strategy* at <http://bit.ly/12Jkr62>.



Left: Denis Drever Photography. Centre: © Michele Lugaresi / iStockphoto. Right: © Jeremy Edwards / iStockphoto



SUSTAINABILITY

Go green to earn green

Maybe money does grow on trees.

When accountants in small and medium-sized practices help clients implement environmental sustainability initiatives, they're helping them lower costs, reduce risks and increase opportunities, says the SMP Committee of the International Federation of Accountants (IFAC).

IFAC recommends adding sustainability services to your suite of professional offerings to boost your clients' bottom lines (and yours). Here's how:

- Help clients implement the plan-do-check-act method to continually improve processes and products.
- Advise clients to put an environmental management system in place that meets ISO 14001:2004 standards.
- Encourage clients to report on sustainability initiatives.
- Get yourself up to speed.

Check out *Embedding Sustainability in SMEs* at <http://bit.ly/1484FCb>.



CONSUMER TRENDS

Personal debt is a national threat

3/4 • 55% • 165%

Three in four executive CAs believe a high level of personal debt among Canadians is hurting the economy, reports the latest *CICA Business Monitor*, published by the Canadian Institute of Chartered Accountants in March 2013.

Fifty-five per cent of executive CAs view high debt levels as a threat to future demand for their companies' products and services. Download the background under at <http://bit.ly/12ZORPH>.

In the same month, Statistics Canada reported that the average household debt-to-income ratio had reached a new high of 165 per cent in the fourth quarter of 2012. Fortunately, this increase was the smallest in 2012.

HAVE YOUR SAY

Accountants' opinions sought

The Joint Not-for-Profit Task Force of the Accounting Standards Board and Public Sector Accounting Board seeks comment on proposed improvements to not-for-profit accounting standards.

The changes will affect both part 3 of the *CICA Handbook – Accounting* and the PS4200 series of standards in the *CICA Public Sector Accounting Handbook*.

Submit your comments before Sept. 15, 2013. View the Statement of Principles at <http://bit.ly/17JD9eR>.

Time's tight if you want to have your say on the International Integrated Reporting Framework proposed by the International Integrated Reporting Council. Check out the framework at www.theiirc.org/consultation/draft2013. Respond by July 15.

HR MATTERS

Enjoy retirement benefits while they last

\$1,000/year

Average annual cost of retiree benefits

\$800/year

Average annual cost of active employee benefits

5/10

Organizations planning to eliminate or reduce retiree benefits

Source: The Conference Board of Canada, *Benefits Benchmarking 2012*, October 2012.

BOOK REVIEW

Authentic to the core

Grateful leaders acknowledge deserving employees. But authentic acknowledgement means more than recognizing quality of work or deadlines met. Real acknowledgement expresses appreciation for how a person uses his or her deepest qualities to enhance the lives of others. It strikes at the core.

In *Grateful Leadership*, author Judith Umlas says that people deliver meaningful messages by following the five c's:

- **consciousness:** becoming aware of opportunities to acknowledge others
- **choice:** allowing people to know they're special and valued whenever their actions are deserving
- **courage:** being brave enough to express appreciation of another person regardless of real or perceived obstacles
- **communication:** knowing how to deliver meaningful praise in a way that's heartfelt, but not embarrassing
- **commitment:** making grateful leadership a core mission of your self and your firm

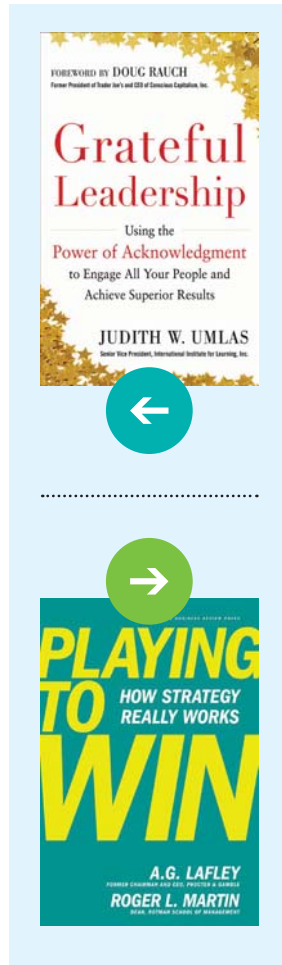
Employees respond to true acknowledgement with higher productivity. They also demonstrate more loyalty, become more energetic, and better handle stress and change.

Grateful Leadership contains many detailed examples of Umlas's seven principles of acknowledgement which describe when and how to give heartfelt, authentic communication. Umlas also points to the findings of positive psychology, which indicates that genuine gratitude is healthy for both giver and recipient.

Author: **Judith W. Umlas**

Publisher: **McGraw-Hill**

Reviewer: **Patrick Buckley**, CMA, PhD



BOOK REVIEW

A winning strategy

Being clear about your aspirations is the starting point for determining your organization's strategy, say A.G. Lafley and Roger Martin in *Playing to Win: How Strategy Really Works*. A.G. Lafley was CEO of Procter & Gamble for the first decade of the millennium. Roger Martin, one of Lafley's long-time advisers, is dean of the Rotman School of Management at the University of Toronto.

Better aspirations focus outward on customers and competitors. But how can service be improved for the best customers? What are leading competitors doing that contributes to their success?

Outstanding results are more likely to occur when firms follow Lafley and Martin's next steps: determining which markets to play in and how to win. The most successful firms have strategies for dominating their chosen markets. For example, a laundry detergent became a winner because the company played only in North America and marketed to consumers who needed strong scents.

In the final steps of creating winning strategies, organizations ask questions about their strengths and management systems. Do existing strengths support the strategy, or must new capabilities be developed? Does a firm's management system foster the open dialogue needed to build a winning strategy?

Playing to Win is an essential read for executives who strive for winning strategies. It also includes methods for testing and measuring the effectiveness of these strategies.

Authors: **A.G. Lafley** and **Roger L. Martin**

Publisher: **Harvard Business Review Press**

Reviewer: **Patrick Buckley**, CMA, PhD

TECH TALK

Small- and mid-sized-biz owners go mobile

I think mobile technology has a negative effect on productivity



I supply or pay for my employees' mobile devices



Source: Sage Canadian SMB Survey on Mobile Devices, March 2013. View the report at <http://bit.ly/YeFjix>.



one vision
one direction
one goal
one national organization



CPA CANADA

UNIFICATION

Professional rollout

The brand new Chartered Professional Accountant Professional Education Program (CPA PEP), built on the best of Canada's accounting education programs, launches this fall in Western Canada. Provincial associations are introducing both candidates and prospects to the new program. The national rollout will follow in the fall of 2014.

To learn more, visit <http://cpaone.ca/become-a-cpa/program/elements>.

Meanwhile, regional and provincial education bodies are accepting applications for the CPA Prerequisite Education Program (CPA PREP). The CPA PREP is designed for CPA candidates who have undergraduate degrees in non-accounting disciplines but lack some or all of the prerequisite courses required for admission to the CPA PEP. Delivered on a part-time basis, CPA PREP is a modularized program that blends online, self-study and classroom learning. It will be available in English this summer and in French in 2015.

To learn more about the CPA PREP, visit <http://cpaone.ca/become-a-cpa/program.html>.

Ad campaign set to launch

The Chartered Professional Accountant (CPA) profession will launch an ad campaign in September 2013. The campaign is being developed by the profession's advertising agency of record, One Advertising (formerly Brandworks International), and its Quebec partner, Reservoir. The ads are designed to raise awareness of the emerging profession and new designation, and to convey the professionalism and expertise of the CPA. The new CPA brand advertising campaign will include television, print, online, billboard and transit ads.

Cross-country checkup

Here's a roundup of news items that have appeared since the publication of our last issue:

- CGA Canada, as well as international affiliates in Asia and the Caribbean and CGA bodies in the Northwest Territories/Nunavut, Yukon, Prince Edward Island and Nova Scotia, **rejoined unification discussions. The only CGA organizations currently not participating in unification talks are Ontario and Manitoba.**
- British Columbia's three accounting bodies **signed an agreement to pursue a merger under the CPA designation.**
- Alberta's three accounting bodies **signed a unification proposal. Alberta CAs also embarked on a member engagement process culminating in a CA vote in June.**
- After receiving a letter of intent from CGA Saskatchewan's board **endorsing full unification**, Saskatchewan's CA and CMA bodies **held a member vote. Results support three-way unification.**

- CMA's and CAs in Ontario **signed a memo of understanding and released a provincial unification proposal. The Ontario proposal is supported by the ICAO Council and CMA Ontario's board of directors, and is consistent with the unification framework adopted in other jurisdictions.**
- All three New Brunswick accounting bodies **announced positive vote results; the majority of members supports unification.**

To receive updates on the progress of CPA unification, visit <http://cpacanada.ca/blog/category/news/>.



The leadership team of B.C.'s three accounting bodies signs a merger proposal.

Key links

To understand what unification means to you personally, **visit www.cpaone.ca.**

Find the new CPA landing page and detailed information on the status of unification at **www.cpacanada.ca.**

The tally

Almost **90 per cent** of Canada's professional accountants are committed to unification under the Chartered Professional Accountant (CPA) banner.

If unification is achieved with the current participants, the **CPA profession will be more than 150,000 members strong.**

Noteworthy is compiled by Jennifer Dawson and Mara Gulens with assistance from Patrick Buckley, CMA.

To attract the financial talent you want, **get the salary data you need.**



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Coming in the next issue of *CMA magazine*

- **What's up?**
Check out our fall conference calendar
- **Manage** your international relationships
- **Boost** your global knowledge
- **Social media:**
What's your strategy?
- **Smarter workspaces**
= smarter workers

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Changjie (Watson) Wu, CMA member & CYBF mentor

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For author **Ashley Merryman**, creativity and competition make perfect bedfellows

By **Gabrielle Bauer**

Q ■ **People sometimes say that competition undermines “pure” creativity. Can you explain why you see it differently?**

A: When accepting his recent Oscar, Quentin Tarantino yelled out, “I love the competition.” That says it all. Having others do great work can spur you to do the same. Competition also fuels innovation because it puts firm parameters and a deadline around the creative process.

Q: Some say competition spurs cheating. We have only to look at doping scandals at the Olympics for a case study. Do you think competition undermines integrity?

A: Cheating is about thinking you’re somehow entitled to a win. True competitors don’t think that way. They’re happy when they win, but they respect their opponents. They know how hard their opponents worked to perfect their skills.

Incidentally, research has found that sore losers are also sore winners.

Q: Do you recommend “going all out” in competitions?

A: Going all out is physically and mentally taxing, so if you compete regularly you have to prioritize. “Competition A is very important to me so I’ll pull out all the stops, but competition B is not quite as crucial so I’ll use it as a learning experience.”

Experienced competitors understand they won’t win every competition.

Q: Do men and women compete differently?

A: It drives me crazy when people say that men compete and women collaborate because I’m a very competitive woman and know many others like me. We do encounter gender differences in the research literature, but we’re talking about just a couple of percentage points.

There’s also some research to suggest that women take more of a calculated approach to competing. They refuse to invest a lot of time in losing, while men are better at ignoring the odds. This situation could be bad or good. To be an entrepreneur, for example, you have to ignore the fact that the odds are stacked against you and just plow ahead.

Q: Which types of competition are more effective: huge ones such as *Canadian Idol* or small ones with just a few entrants?

A: A couple of researchers have identified what they call the N effect: the more people you compete against, the less hard everyone works. When a politician says we have to compete against China and Brazil, it could be demotivating. How do you possibly compete with a billion people?

Q: In business, there’s a notion that you have to crush the competition to get ahead. Is this notion misguided?

A: It most certainly is. You’ll get a reputation for being ruthless and lacking integrity. It will come back to bite you.

Q: What role does teamwork play in a competitive business environment?

A: It’s great for incremental innovation, but not for wild leaps. For that you need a Steve Jobs dreaming of something called an iPhone.

Teams are not a panacea. Teams don’t give people free rein to push the envelope. If a team is not put together properly, it can drain up to 40 per cent of individual productivity.

Q: If an organization does decide to put together a team, what approach do you recommend?

A: Ninety per cent of a team’s destiny is cast before the group has done any work at all. It’s all about the mix of people. To work effectively, teams need to be lean and mean. They should also include a couple of stars, because stars are often good at motivating others. Just remember that you have to give stars a chance to shine. ■

Ashley Merryman is co-author (with Po Bronson) of *Top Dog: The Science of Winning and Losing* and winner of nine national awards for reporting. Merryman’s work has appeared in *Newsweek*, *Time*, *New York* and *The Washington Post*.

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Brenda Yackle, CMA
Corporate Controller
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Rethinking value

Shareholders and stakeholders are in it together

By **Andrea Civichino**

OVER THE PAST TWO DECADES, organizations had one goal: to maximize shareholder value. But this relentless focus can do harm to an organization's employees, customers, suppliers, investors and even the shareholders themselves. Jack Welch, former chairman and CEO of GE, was a known supporter of shareholder value. In 2009, he switched tracks, calling the maximization of shareholder value "the dumbest idea in the world."

But is there really a conflict between shareholder and stakeholder value? Our co-authors argue that the gap isn't really as wide as it first appears. Creating stakeholder value supports the creation of shareholder value, and the idea is being put into practice with new business strategies.

CONSIDER YOUR LEGAL AND MORAL OBLIGATIONS

Dirk Matten

Legally, managers have a fiduciary responsibility to shareholders. But organizations have other contractual obligations — to their employees, for example. If an organization produces goods, then the organization looks out for the interests of its customers. Some of them are protected by law. So, even though organizations have a fiduciary duty to their shareholders, legal constraints require organizations to take other stakeholders' interests into account too.

The argument that smart managers only manage and perform well against one metric — creating wealth for shareholders — doesn't really wash well. Even if an organization's ultimate goal is shareholder value maximization, the organization still needs to work on several functions that contribute to stakeholder value.

Society increasingly considers it a moral obligation, beyond the law, to

take broader stakeholder interests into account. The expectations of most organizations around the world are changing. Stakeholder interests, including environmental sustainability, pollution prevention and carbon footprints, need to be measured so they can be managed. Management accountants face a new challenge in adopting this area of reporting, accounting, auditing and assurance.

Unilever provides a good example of this thinking. Unilever implemented a sustainable living plan that changed how the company manages the supply chain and produces products. The company plans to pollute less. If an organization wants to be successful in the next five-to-ten years, it has to honour these stakeholder expectations.

TAKE A LONG VIEW, AND THERE'S NO CONFLICT

Partha Mohanram

The notion that a conflict exists between shareholder value maximization and stakeholder value



Dirk Matten holds the Hewlett-Packard chair in corporate social responsibility and teaches strategy at the Schulich School of Business at York University in Toronto. Before taking an academic post in the United Kingdom in 1999, Matten was a senior consultant with Newmark & Partners, a firm based in Frankfurt.



Partha Mohanram, PhD, is the CGA Ontario professor of financial accounting at the Rotman School of Management at the University of Toronto. He's an expert in the fields of valuation, corporate governance, disclosure and executive compensation.

maximization is flawed. When tension between these two concepts occurs, there's usually a difference of horizon. Steps taken to maximize stakeholder value often depress short-term financial performance, and myopic capital markets do not realize that firms are investing in sustainable long-term success.

Let's say that an organization decides to focus exclusively on shareholder value and that it won't worry about other stakeholders such as customers or employees. How long will that organization succeed? If an organization ignores stakeholders — if it creates dissatisfied customers or disgruntled employees — it will not be able to maximize shareholder value.

Consider Apple, which has invested extensively in product design and unparalleled customer service to ensure that its customers have access to the best products and services. By focusing on its stakeholders, Apple has also experienced unprecedented growth in revenues, profits and — more importantly — shareholder value.

Consider environmental sustainability. A firm that invests in sustainability makes do with less to produce more. In the long run, it will have lower operating costs, its employees will be happier, and customers will feel good about purchasing its products. All of these factors will lead to higher revenues and profits. In the short term, the organization's higher expenses may trigger a penalty in myopic capital markets, but the organization maximizes both stakeholder and shareholder value.

Unfortunately, many organizations fall prey to this myopia and care only about next quarter's earnings. Research has shown that firms will cut R&D to meet their targets, even if firms sacrifice long-term revenues and profits. Remember: the tradeoff is not between shareholder value and stakeholder value maximization as much as it is between short-term and long-term shareholder value maximization. ■

Andrea Civichino is research coordinator at CPA Canada.

THE QUESTION

We asked members of the Pulse, a core group of volunteer CMAs, whether the boards of publicly traded corporations have a primary responsibility to maximize shareholder value (as reflected in stock prices) or should protect the interests of other key stakeholders and the public.

Maximize shareholder value only

21%

Protect the interests of other stakeholders and the public

79%

If you'd like to help out with future surveys, please email thepulse@cma-canada.org.

MORE ON SHAREHOLDER AND STAKEHOLDER VALUE

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- *Monitoring Customer Value* <http://bit.ly/1383otH>
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Are you ready for the data tsunami?

New analytic tools can help

Five not-so-dumb questions about big data

By **Jacob Stoller**

Most CMAs have heard that something called big data is poised to redefine business analytics. Organizations will use powerful new tools to exploit a now readily accessible ocean of data. CMAs will improve forecasts, mitigate risks, target customers and uncover hidden opportunities.

This development spells major change for the many CMAs whose stock in trade is analytics. However, as *CMA magazine* reported in “Assessing the Big Data Challenge” (March/April 2012), most organizations aren’t ready yet to cope with big data.

“It’s a bit of a brave new world,” says David Smith, vice-president of corporate marketing and community relations at California-based Revolution Analytics. “Many of these data sources are new, and people aren’t sure yet how to react.”

The real opportunity for CMAs, therefore, may be in preparing themselves and their organizations for this new generation of business analytics. To help with the first steps, we’ve prepared answers to five not-so-dumb questions about big data.

1/

HOW BIG IS BIG?

“Big” begins at half a billion rows of data — 500 times what Excel can handle — according to Ryan Boyd, developer advocate at Google. However, this bigness isn’t just about volume. The range of data that can be queried has also expanded. It now includes unstructured data: information such as text, audio and video that doesn’t fit into the rows and columns of a conventional database.

Queries are no longer limited to familiar sources, such as financial transaction systems and customer databases, but could extend to Facebook pages, surveillance videos, call-centre recordings and even readings from sensors and industrial control devices.

2/

WHAT CAN ANALYSTS DO THAT THEY COULDN'T DO BEFORE?

Big data tools empower analysts to tackle the following three tasks.

Conduct broader queries. Big data tools can aggregate information from diverse systems that may be inside or outside the organization. Data may come from all the divisions of a large multinational, the annual reports and websites of competitors, government sources or major service providers. In the past, queries related to specifically defined data sets, but now companies can look more broadly at interrelations between many factors.

Analyze entire data sets instead of samples. The sheer power of big data tools makes it possible to avoid the shortcomings of creating and validating samples. Analysts reduce uncertainty and may find unseen threats and opportunities.

Visualization tools may be used to browse through complex data sets to identify relationships and trends.

“CMAs have relied on reporting capacity; they generate recurrent reports every now and then to look at different aspects of their business,” says Montreal-based Dominic Jaar, partner and national practice leader, information management services, at KPMG. “Big data analytics lets us go beyond pre-defined reports and identify unknown unknowns.”

Query real-time data. Big data tools allow the incorporation of real-time data — for example, data acquired during order processing — into the analytic loop. Analysts no longer need to rely exclusively on past data.

Organizations can create dynamic forecasts that improve in accuracy as more data is collected. Real-time data can also be used to trigger responses to problems or grab opportunities when they arise.

3/

HOW ARE THESE NEW CAPABILITIES BEING USED?


Thanks to the power of big data, analytics is expanding beyond the specialty areas of forecasting and planning into the daily operations of many organizations. Companies may pursue the following options.

Detect fraud. Big data allows lenders, insurers and others who assume financial risks to limit their exposure with real-time information. For example, a credit card company can develop accurate profiles of high-risk borrowers and tighten the rules for them, while relaxing restrictions on others. Law-abiding citizens “don’t have to be treated like criminals,” says Mychelle Mollot, vice-president of marketing and business analytics at IBM Canada.

Retain customers. Big data can help companies avoid losing customers. For example, telecom companies are creating profiles of customers who are more likely to switch to other providers and are preparing incentives to persuade these customers to stay.

Improve financial models. American Century Investments, a California-based investment firm, uses big data to expand its analysis beyond the financials of the companies in ACT’s portfolio. ACI uses a more sophisticated model to analyze the money flows within its investment sectors. “I can see the same thing happening in big companies that have lots of different divisions,” says Smith.

Improve advertising. Big data allows companies to follow in the footsteps of Google and create more targeted advertising and other outreach campaigns to meet customer needs. More personalized campaigns allow companies to get a better return on their investments.



Big data analytics lets us identify unknown unknowns.

Develop products. A health food company analyzed social-media feedback about one of its new snack foods. The food was packaged for individuals, but the company learned that customers wanted to buy a family-sized package. The company quickly repackaged the product. “Without big data, that would have taken the company months to figure out,” says Mollot.

4/

WHAT'S THE CATCH?

The power of more and better information comes with significant risks. An organization that uses the information in brokerage, mortgage and chequing accounts to determine and record an individual's net worth, for example, could violate the terms under which the data was collected. The organization could contravene federal and provincial privacy laws as well.

Analysts who use more data and increasingly complex queries also increase the risk of misinterpreting the data. Analysts accustomed to the relatively safe task of examining a company's financials could be in over their heads when they attempt to examine informal verbal communications or videos.

5/

WHAT'S NEXT FOR CMAs?

As organizations develop the capabilities to handle big data, CMAs can help create “centres of excellence” for advanced data analytics, Jaar suggests. Get the ball rolling with the following action items.

Learn about big data tools and capabilities. The application of big data analytics is likely to be unique for each organization. Analysts should familiarize themselves with the available technologies and determine which ones have the most value for their organization.

There are many useful learning resources online. IBM hosts www.analyticszone.com which features forums, free software and reference sources. IBM also tests your analytics quotient, or AQ, at <http://ibm.co/10CsGD0>.

Google offers demos of its BigQuery tool — and provides videos and other learning resources — at <http://bit.ly/11F2xA5>.

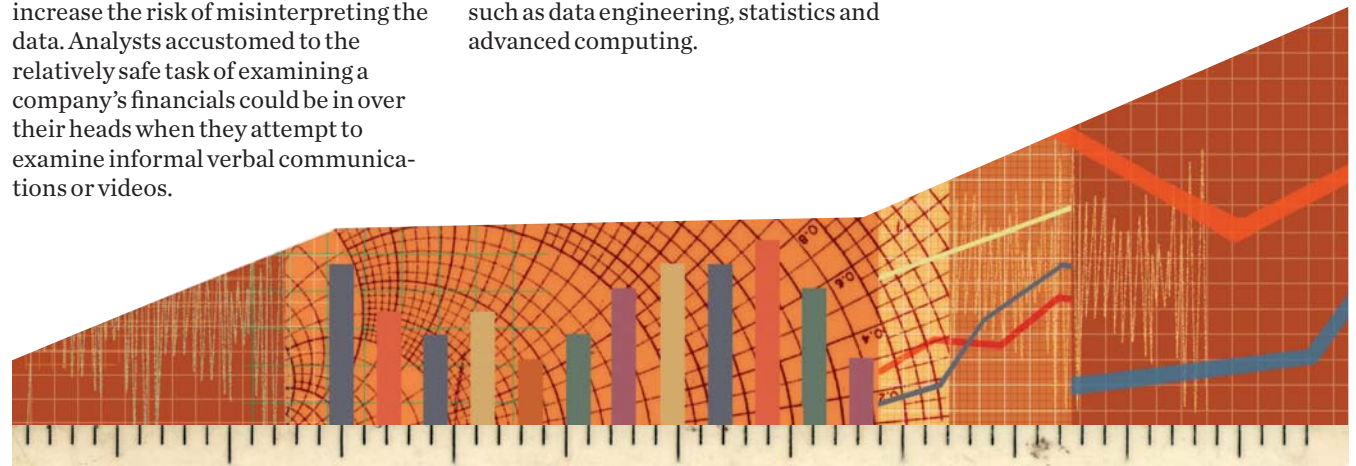
Get smarter about information technology (IT). Analysts who want to make use of big data capabilities will need a much closer partnership with the company's IT department. Analysts will also need to gain a better understanding of how data is stored and accessed.

Furthermore, IT departments are expected to engage a new breed of data scientist: individuals schooled in areas such as data engineering, statistics and advanced computing.

Improve existing capabilities. An organization requires a solid analytic framework before the analysts may use the more advanced capabilities of big data analytics. “I would first focus on developing an information governance approach,” says Jaar. “Define a clear framework that includes the responsibilities of other people in the business.”

The promise of big data is compelling for decision makers, but the prerequisite preparation could be a tough sell. “There is some internal marketing that needs to be done to convince people to take the extra time to provide quality data in a structured way,” says Jaar. “Otherwise, we're still going to be talking about the possibilities of big data in a number of years.” ■

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Jacob Stoller is a Toronto-based writer and researcher. See www.jacobstoller.com.





5

You Inc.

Five CMAs
share their
stories of
branching
out on
their own

By **Michelle Singerman**
Illustrations by **Lauren Tamaki**



The innovator

Davis Yung, CMA

President, Fresh Direct Produce,
Burnaby, B.C.



Working for yourself can be a dream come true, but it doesn't come without challenges.

Going down the road less travelled requires planning and persistence. It's often a 24/7 endeavour without paid vacation days.

The five CMAs profiled here have experienced the triumphs and tribulations of running their own businesses. True entrepreneurs, they provide a window into the lives of people who start up and continue on their own.

In 2001, my former employer sold the business; I left the company the following year. I became aware of the many consolidations in the produce industry and felt there was a strong opportunity for an independent, local and innovative company to serve the fast-changing market. The growing population of South Asians and other ethnic groups also created a demand for specialty and tropical products.

My partners and I started small. With 11 people and two trucks, we worked hard to show our customers, suppliers and staff that we were capable and committed. It's normal for people to be skeptical of a start-up

when statistics show most businesses fail within the first five years.

When we first opened, one customer was very hesitant to buy from us. I continued to call him for almost three months with market updates and weekly specials. Finally, he agreed to give us a try. Persistence paid off.

We regularly attend trade shows, conferences as well as workshops and seminars to stay on top of business trends and connect with other entrepreneurs. Surrounded by other successful business executives, mentors and generally positive and optimistic people, I find myself continually learning and growing.

The risk taker

Diane Lee Sousa, CMA

Founding partner, Prophet Business Group, Ltd., Winnipeg, Man.



The rebel

Lawrence Fox, CMA

Principal, AccountingWizard Solutions, Toronto, Ont.



Going my own way was a once-in-a-career opportunity. The company I worked for was dissolving; my colleagues and I formed a technology company to implement Microsoft Dynamics GP accounting software and provide network design and support.

I manage the company's operations. Often the tough decisions rest with me, as do the consequences. The financial responsibility that's necessary to ensure the company remains successful requires not only energy and time, but also strategic thinking that affects everyone and everything.

My father instilled in me his entrepreneurial spirit. He was the president and partner of a successful construction company that grew organically and through acquisitions. They later started a new venture in environmental sciences. I'm inspired by his success. It's never too late to swing the bat.

One of my father's greatest pieces of advice, which I recalled when I was starting out and a bit unsure of myself, was to recruit and surround yourself with brilliant people. They're your greatest assets. Never fear their brilliance: they'll make you and your company look great.

I do bookkeeping and accounting for entrepreneurs, mostly owner-operated businesses.

I first went on my own mainly because I was bored and unhappy with where I was working. My then boss (now a client!) also planted the seed. He told me I was a lousy employee, but that I would be a great boss. That was partly because I reminded him of himself and partly because I always asked, "Why do we do it this way? What about ...?"

My father ran his own small businesses and so did most of his friends. He owned a full-service car wash and gas station, and also imported and sold car-wash equipment and supplies.

Later on, he had a small business selling fishing lures, I think so he could combine a hobby with some income. I grew up in an atmosphere where entrepreneurship was natural.

If you're just starting out: network, network, network! Years ago, I attended a CMA Ontario workshop where the presenter said, "There's only one letter difference between networking and not working." It can take some time for the payoffs to come around, but they will.



The networker

Sheri Anderson, CMA

Co-founder and co-owner,
Nu-Life Kitchens, Winnipeg, Man.



The adventurer

Francois Hinton, CPA, CMA

Owner, Vacations Sail Hinton Inc.,
Montreal, Que.



My husband and I started a cabinet refacing company called Nu-Life Kitchens. We provide an alternative to full-kitchen renovation through cabinetry replacement.

When we first started, no one knew who we were or what we did. To get the word out, we advertised through trade shows and magazines. We also built relationships with companies to gain referral business. It's a huge compliment and the best kind of advertising: it doesn't cost anything and is a testimonial of the work and service we provide.

When you own a company, you're completely accountable for everything: bringing

in new business, hiring and training employees, scheduling, ensuring product arrives on time, and ensuring the business is profitable. If one of these pieces fails, it can hurt the success of the entire business.

You must partner with someone you trust who has a different skill set than you. Dividing duties will help grow the business much faster than trying to do it yourself. Make sure you have a monetary cushion to fall back on, especially when starting out.

Work hard at what you do, love what you do and good things will follow.

started a private catamaran cruise/charter company.

I lead cruises around Saint-Martin in the winter and around Lake Champlain, N.Y., in the summer.

I've always liked being close to the water, being my own boss and working outdoors. Of course, the idea of not shaving in the morning, and wearing a swimsuit instead of a suit, was also very appealing.

It's more rewarding to create a totally different experience and way to travel for my customers than a typical all-inclusive vacation. Relaxing on a 38-foot catamaran that acts as a floating hotel is a unique experience.

Financing this \$200,000 catamaran outside of the country was challenging. Attracting the first customers was also difficult. Two years later, it's easier. When you provide good service, word of mouth follows and goes a long way.

Running your own business is not without difficulty. On a boat, every day is full of challenges: broken parts, changing weather, supplies not available on a remote island. The most important thing is not giving up, and finding creative and flexible solutions. ■

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Michelle Singerman is a freelance writer, editor and photographer in Toronto. See www.michellesingerman.com.

The starting line

**Thinking about launching a business?
It's a good time to get in the game.**

As a CMA, you can turn small businesses into winners. But is entrepreneurship right for you?

By **Jaclyn Law**

Canada is one of the easiest places in the world to launch a business, and it's getting friendlier for start-ups every year. There are opportunities for people who have the killer combo of great ideas, financial savvy and motivation.

There's also a potentially big payoff for the economy. As of 2011, small businesses contributed about a third of the country's GDP; in the previous decade, they created 43 per cent of new private-sector jobs. It's no wonder that support for entrepreneurship figured large in recent federal budgets. (See infographic on page 28.)

Backed by universities, governments and venture capital funds, start-up

resources such as business accelerators and innovation hubs are springing up across Canada. Free and low-cost tech tools and social media are helping people launch businesses, promote services and tap into markets around the globe.

"Start-up culture" is also getting a boost from the success of Silicon Valley, *The Social Network* (the movie about Facebook) and reality shows such as *Dragons' Den*, says Victoria Lennox, CEO of Startup Canada, a non-profit that advances entrepreneurship across the country. "People are starting to get what entrepreneurship is," she says. "This is a very recent thing."

The tech start-up space is especially lively. More capital and interested funders are available for different stages of a company's life cycle. "We're also seeing U.S. venture capitalists coming to Canada to look for deals," says Andy Yang, chief innovation hunter at Extreme Startups, a Toronto-based accelerator for tech companies.

"It's a good time because as the global economy recovers, there will be opportunities for disruption and hyper-growth. As the cost of starting up goes down and the economy grows more robust, [we'll have] perfect tailwinds to start a business."

“You’ll be working more hours. It never stops. You basically live your business.”

This is where you come in

CMAAs are uniquely equipped to build start-ups because they take a holistic view of strategic planning, operations and finances. “Those are exactly the skills one needs when starting out to help develop and grow the enterprise,” says Gene Deszca, associate MBA director and professor at the School of Business and Economics at Wilfrid Laurier University in Waterloo, Ont.

Sometimes a company’s main players are technically savvy, but “they’re not necessarily bright about how to do things from an organizational perspective,” says Deszca. “Having someone provide management advice is hugely helpful.”

Many tech entrepreneurs just want to focus on making their product and acquiring users. “Usually they’re computer science majors who haven’t run a business,” says Yang. “Working with a CMA would be a good synergy.”

Five tips for starting up successfully

Starting a business isn’t for the faint of heart. Entrepreneurship is an all-consuming adventure that demands time, energy and emotional fortitude. We talked to people — including novices and serial entrepreneurs — to find out what it takes.

1. Identify the need

Remember the mantra from *Field of Dreams*? If you build it, they will come. Well, that doesn’t necessarily apply to start-ups.

“Entrepreneurs think their product is going to be wanted,” says

Janet Pierce, FCMA, start-up veteran and business intelligence project executive at Accenture in Toronto. They don’t always “see if there’s a market beside family and friends who say it’s a great idea.”

She advises would-be entrepreneurs to analyze the market and understand the product-customer fit before they sink money into development.

Chris Weiers and his business partners, two University of Saskatchewan engineering students, made sure they had a market before working on CropScouter. It’s a mobile weed-identification app that helps farmers choose herbicides and avoid costly mistakes.

The partners surveyed hundreds of farmers. “They said they’d buy it in an instant if it existed,” says Weiers, a CMA who works in his day job as a senior commercial account manager at BMO in Prince Albert, Sask.

The trio’s company, Frozen Gear Design Inc., launched the app in May. Weiers says that the case exams and reports he did during his CMA education proved to be a huge help with their business plan.

“There’s a process you have to follow that starts with the SWOT analysis and PEST analysis,” says Weiers. “That allowed us to identify whom our customers will be, what their needs are and what it takes to get them to purchase the app.”

2. Stick to the plan

You might be tempted to veer away from your business vision to make quick sales, but try to resist.

“Don’t get distracted,” says Blair

Collins, CMA. “The first year, you won’t be as profitable as you would be if you were broad in your approach. But when you’re very focused, in the second year you become well known for the core thing you do repeatedly.” As your reputation grows, you’ll find it easier to stay focused, build your expertise, hire and train people, and increase profits.

Collins comes by this advice honestly. Now a partner at Interlock IT (www.interlockit.com), which helps small and medium-sized businesses implement cloud-computing solutions, he sold his previous start-up, a successful software reseller and consulting firm, in 2003.

Even earlier, he ran smaller start-ups and learned the hard way not to overdiversify. “The core thing for entrepreneurs is to pick a focus — adapt as you go along, but stay focused — and don’t go too broad, especially in complex fields like technology.”

3. Take advantage of resources

Mentorships, incubators, accelerators, innovation hubs, business boot camps, government programs, entrepreneurial networks: the list of start-up resources goes on and on. Research and use the right ones for your needs.

Depending on the nature of your business, you could also get funding or tax breaks. For example, your company may be eligible for Service Canada grants that pay students to work over the summer. If you conduct industrial research and development, you can apply for tax credits through the Canada Revenue Agency’s Scientific Research and Experimental Development Tax Incentive Program.

4. Measure your success

Identify metrics for your company, and take its pulse regularly. "Understand your key success factors and measure against them," says Accenture's Pierce, who once saved a karate club by revamping its business processes. "Know how you make money and how you don't, and really start to understand the customer."

Tools and frameworks will help you keep track. Fergus Groundwater, a CMA in Stittsville, Ont., uses what he learned in the Strategic Leadership Program to help define strategic objectives and decide where to invest in his company to support growth. In May 2012, he bought Pegen Industries, a small fabrication and machine shop that serves the medical and aerospace industries.

"I'm a huge proponent of balanced scorecards," says Groundwater. "We're trying to figure out the correct metrics and put in place the right framework." Each week, he reviews the company's overall progress to see what could be done better.

5. Brace yourself

Entrepreneurship isn't for everyone. Starting a business is risky, and you could take on substantial debt to get your idea off the ground. You might need a few years for your product or service to gain traction in the market. Failure is a real possibility. Before you draft a business plan, do some soul searching: can you live with uncertainty and stress?

"Reduced income, funding from your own pocket, stress on relationships: these are things that I perhaps didn't put enough emphasis on," says Groundwater. He discovered that owning a business, although "incredibly rewarding," is a lot harder than it looks from the outside.

Self-motivation is a must, adds Pierce. "You can't be afraid of hard work. If people get into working for themselves because they don't like how hard it is to work for others, they probably shouldn't do it. You'll be

working *more* hours. It never stops. You basically live your business."

When the going gets tough, many entrepreneurs give up too soon. Starting a business is "absolutely draining" in the early stages, so it's critical to have a support system, says Hesham Shafie, CMA, president and CEO of Brand Momentum Inc., a sales and marketing firm in Mississauga, Ont.

"Surround yourself with people you trust because you're going to need their support during difficult times," says Shafie, who worked with two other start-ups before launching his own company in 2009. "The rewards are so incredible if you stay the course and are willing to adjust your approach as you learn and build your company. Starting a business is full of risks, but I believe the higher the risks, the higher the rewards." ■

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Jaclyn Law is a Toronto-based freelance writer. Find her on the web at <http://about.me/jaclynlaw>.

Starting points

Canada Business Network
www.canadabusiness.ca

Canadian Innovation Centre
<http://innovationcentre.ca>

Canadian Youth Business Foundation
www.cybf.ca

Industry Canada
www.ic.gc.ca

MaRS
www.marsdd.com

Ontario Network of Entrepreneurs
www.oneinnovation.ca

Service Canada
www.servicecanada.gc.ca

Startup Canada
www.startupcan.ca

1,000,000+

Canada has just over a million **small businesses**. (Industry Canada defines a small business as a company that has fewer than 100 employees. The definition excludes self-employed workers.)

99,000

An average of 99,000 **new small businesses launched in Canada** each year from 2002 to 2008.

\$400 million
+ \$60 million

In its 2012 budget, the federal government earmarked \$400 million to **increase investment in start-ups**. In the 2013 budget, the government earmarked an additional \$60 million for business incubators and accelerators; the money will be spent over five years.

\$100 MILLION + **\$18 MILLION**
+ \$20 MILLION

In the 2013 budget, the government also announced that, through the Business Development Bank of Canada, it would **invest \$100 million in firms graduating from business accelerators**. The government will also promote an entrepreneurial culture in Canada through new entrepreneurship awards. It plans to **invest \$18 million** over two years in the **Canadian Youth Business Foundation**, and another **\$20 million** over three years to help small and medium-sized enterprises **access research and business development services** at universities and other non-profit research institutions.

\$2.1 billion

In 2012, **venture capital investment in Canada totalled \$1.5 billion**. The money was divided among 395 companies; the average investment was \$3.7 million each. In 2007, **investments totalled \$2.1 billion** — the largest amount to date.

85% → 51%

Eighty-five per cent of small and medium-sized businesses **survive their first year**. By **year five, the number drops to 51 per cent**.

Virtually there

Are your team management skills
up to dealing with screen time
instead of face time?

The keys to leading your virtual team to success

By **Diane Peters**

The workplace has become a lot more virtual. More people are telecommuting. Travellers have more tools to accomplish tasks in airports and hotel rooms. And it's simpler than ever for colleagues or collaborators in faraway countries to contribute their skills.

As the need for face-to-face work diminishes, the importance of learning how to manage teams in diverse places goes way up.

"It's a real change from working in a bricks-and-mortar environment," says Heather Cathcart, a CMA who is the administrator at Heritage Law, a Vancouver firm that has a virtual team.

"You have to put aside what you understood to be the way business works and look at the new dynamic and embrace it."

We spoke to CMAs and other experts about the techniques that make working with faraway colleagues more effective than ever.

Foster clear communication

By far the most important aspect of managing a virtual team is keeping in touch.

"You need to reach out even when you don't have the impulse or the energy," says Jessica Lipnack, CEO of



NetAge, a Boston-based consulting company that specializes in virtual teams. Talking with your team — and encouraging members to talk among themselves — is key to making everyone feel connected.

But virtual communication can go awry. “Most of us read body language. When you can’t see someone, you fill in the blanks,” says Cathcart.

She counsels her team members to read messages twice before they respond to a perceived slight. When two team members seem to be at odds over a hastily written electronic message, Cathcart picks up the phone to quell the misunderstanding.

Tip: Build a sense of community to foster better communication.

Millie Ng, a CMA and consultant with Accenture Canada, has her local team members send pictures to remote colleagues (and vice versa). She encourages conversations about the weather, holidays and family — not just work.

Create an operating agreement

Claire Sookman, owner of Virtual Team Builders, a training and consulting company in Toronto, says virtual teams need to create a team operating agreement that sets out the terms of how and when they’ll connect.

This document — to which everyone contributes and everyone can access — spells out guidelines for meetings (such as being on time and not doing other things while on the call), communications, dealing with misunderstandings, and manners.

Sookman says the document should be reviewed often, particularly when the team gets new members. “Each team is unique and every operating agreement is unique,” says Sookman. Thus the document is created by the team, not the manager.

Tip: Attach a copy of the agreement to every meeting’s itinerary. Then rules for preparing meetings, being on time, not interrupting, and issuing minutes promptly are top of mind for everyone.

Hire right

Flexibility, ease with technology and working efficiently without close supervision are key attributes of virtual team members. “People are going to be alone a lot. It can be tough on someone who’s very social,” says Cathcart.

While junior people might have the technology chops, many newcomers need to work in a traditional, face-to-face environment before they engage in virtual collaboration. Work closely with HR to make sure new team members have the right qualities and good training.

When you have your team, you need to resist micromanaging. Trust them to get the work done. “If you don’t trust your team, you’re going to have a lot of problems,” says Sookman.

Tip: Flag team members who are adept at technology to support others on the team. You’ll build relationships and fix problems that aren’t serious enough to bring in the technicians. And if you’re worried about productivity, insist on daily status updates.

Encourage innovation

There’s been a lot of debate in the media over whether remote teams are innovative or merely more productive. The people doing this work think great ideas can come from great teams no matter how they work.

According to Lipnack, virtual teams can be extremely innovative and creative; the alternative — fatigue from lots of travel — cramps new ideas. Ng says Accenture’s use of overseas expertise has increased the company’s innovation.

If you want to develop new ideas and work creatively and efficiently, set clear goals and deadlines. Ensure team members have what they need to deliver their parts of the project.

Good management practices also ensure good ideas. And since unique ideas can be hatched by casual conversations, make sure your team stays in touch outside meetings.

Tip: Get together physically or virtually for social reasons to foster teamwork and produce ideas. Recently, Cathcart’s all-female firm got together for a spa day. Sookman recommends having virtual coffee chats or pizza parties. And if it’s time to celebrate someone’s birthday with cake, always invite your remote team members to take part through a video conference.

Steering a virtual team and working with a traditional, in-house team look different, but in many ways the skill set is the same. Aided by technology, great management still works. ■

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Diane Peters is a Toronto-based writer, editor and teacher. She tweets @DianeEPeters.

Resist micromanaging. Trust people to get the work done.



How to run a virtual meeting



- 1 Strive for equality.** Avoid having half the attendees in a conference room while remote members patch in. If possible, have people call from their desks so every meeting participant is equal.
- 2 Send out an agenda.** Aim to set the agenda 48 hours in advance, and have a clear agenda that includes action items.
- 3 Issue minutes.** Overseas colleagues may misunderstand local slang, rapidly spoken English or body language during a video call. Millie Ng, a CMA with Accenture Canada, insists on writing minutes to ensure everyone understands all content.
- 4 Be interactive.** According to Claire Sookman of Virtual Team Builders in Toronto, most people multi-task in meetings. (Some daydream and even fall asleep.) Use screen sharing and PowerPoint; ask frequent questions or take polls. Do whatever you can to keep everyone engaged.
- 5 Keep it short.** Ideally, the meeting should be brief. It should never last longer than two hours.
- 6 Have a producer at every meeting.** Put the most tech-minded person on your team in charge of technology. If someone's video-conference transmission fails, the producer can deal with the problem while you run the meeting.
- 7 Use video conferences for true discussions.**
 - Don't discuss status reports; email them instead. "Make decisions, and deal with disagreements and stuff that's tough. That's what you want to do in real time," says Lipnack.
- 8 Let everyone lead.** Different team members can lead meetings. Let everyone show off his or her skills to make regular meetings a lot less boring.
- 9 Be visual.** Send a map with photos on it to show team members where virtual participants are and what they look like. If you have just one remote member, save a chair for that person and place a photo of him or her at the table.
- 10 Be aware of time zones.** When others are getting up early or staying at work late for a meeting, be respectful. Millie Ng has her colleagues in India speak first; then she lets them off the call. She also keeps track of overseas holidays to avoid scheduling meetings on important days.
- 11 Get everyone involved.** "During the call, engage your team," says Sookman. Every few minutes, address a quiet team member and ask for input.

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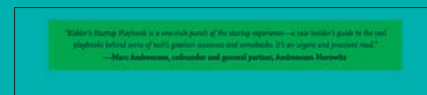
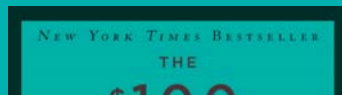
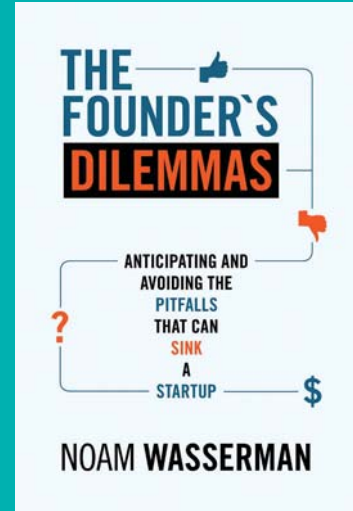
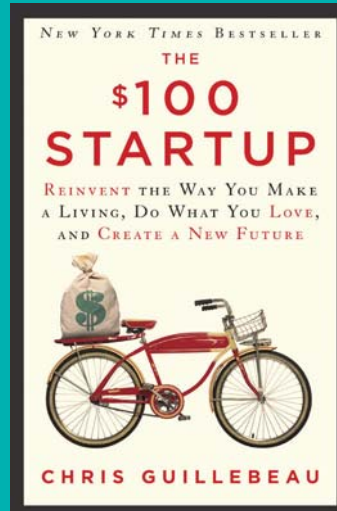
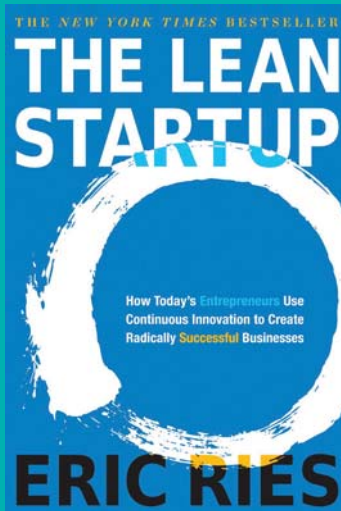


REVUP YOUR STARTUP

Sharpen your entrepreneurial instincts with these tips from the pros

By Anne Bokma

The failure rate for start-ups is high, but the success stories are enough to make any would-be entrepreneur salivate. Just think of Google or Facebook, whose creators are now worth billions. While nothing can replace the experience of learning on the job, these four books offer inspiring lessons from those who have put it all on the line.



The Startup Playbook: Secrets of the Fastest-Growing Startups from Their Founding Entrepreneurs

Author: **David S. Kidder**

Publisher: **Chronicle Books**

Formats: **hardcover, Kindle**

Bestselling author Kidder argues that the most successful start-ups have one thing in common: each has a collection of philosophies and strategies that allow the enterprise to win in a complex marketplace. Every founder has his or her “start-up playbook.” Kidder reveals the contents of these playbooks in interviews with the stars who made PayPal, LinkedIn, AOL, TED, Flickr and many others into household names.

For example, Sara Blakely, founder of Spanx, talks about the importance of getting the right kind of feedback for your idea. She advises against approaching friends and family for validation because your ego gets involved too early. Instead, she says, seek out experts in your field.

The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses

Author: **Eric Ries**

Publisher: **Crown Business**

Formats: **hardcover, paperback, Kindle, Audible audio edition**

While some believe genius is the key ingredient for success, author Eric Ries, a Silicon Valley entrepreneur,

suggests success is more the result of a scientific process that can be learned and replicated.

The Lean Startup offers loads of practical advice: Test your ideas before you bank on them. Don't listen to focus groups. Observe your customers. Expect to get it wrong. Stay flexible (and solvent) to try again until you get it right.

When figuring out what consumers want, Ries cites the manager for Toyota's Sienna who drove 53,000 miles around North America to understand firsthand what customers want in a minivan.

The \$100 Startup: Reinvent the Way You Make a Living, Do What You Love, and Create a New Future

Author: **Chris Guillebeau**

Publisher: **Crown Business**

Formats: **hardcover, paperback, Kindle**

This book celebrates people who find ways to opt out of boring jobs to pursue meaningful work.

Guillebeau is one of those people. He recently completed a tour of 193 countries, but has never held an office job. Instead, he's turned his ideas into income through ventures such as importing coffee and selling it on eBay, writing travel guides and blogging.

Guillebeau focuses on 50 case studies of individuals who have built successful businesses that earn \$50,000 or more from a modest investment (in

many cases \$100 or less). One of those people is Nev Lapwood, the owner of Snowboard Addiction and a Canadian snowboarding instructor, who created a set of DVD instructional videos and now runs a \$300,000-a-year business.

The Founder's Dilemmas: Anticipating and Avoiding the Pitfalls That Can Sink a Startup

Author: **Noam Wasserman**

Publisher: **Princeton University Press**

Formats: **hardcover, paperback, Kindle, Audible audio edition**

People problems are one of the key reasons start-ups fail, says Noam Wasserman, a Harvard Business School professor, who examines the internal dynamics that can make or break a start-up. These problems include founding a company with friends or relatives, splitting equity within the founding team, and knowing when a founder-CEO should exit the business.

Wasserman draws on quantitative data on almost 10,000 founders. He also looks at the experiences of the people behind companies such as Twitter and Blogger to explore the decisions and pitfalls faced by entrepreneurs. He focuses on the people issues that can affect start-up success. ■

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Anne Bokma is a freelance writer based in Hamilton, Ont. Find her at annebokma.com.

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Managing alien devices

BYOD may be fun. But is it safe?

The office use of employee-owned IT gear poses challenges

By **Jacob Stoller**

IT USED TO BE THAT ALL THE COOL information technology (IT) gear was in the office. Elsewhere, people used basic machines and dial-up Internet. Today, thanks to the consumerization of IT, personal devices make corporate computing look dull by comparison. No wonder people want to bring their own.

The BYOD (bring your own device) phenomenon has exploded since Apple introduced the iPhone. The idea sounds innocent enough. Employees carry the smartphone or tablet of their choice and enjoy the advantages of their favourite consumer apps, while the employer doesn't get stuck with the bill.

Unfortunately, the frequent use of employee-owned devices on corporate networks — which now affects the majority of Canadian organizations — is making it much tougher for IT departments to protect their organizations from security and privacy risks.

Furthermore, IT departments are not getting much help. According to several studies, companies that have effective BYOD policies in place are in the minority.

BYOD and loving it

“BYOD makes a ton of sense: employees like it and CFOs like it,” says Michael O’Neil, CEO of IT Market Dynamics, a Toronto-based research firm. “The problem is that nobody’s asking IT about the pros and cons, or how to stage the rollout of personal devices

within the corporate network. Instead, IT is being told, ‘We’ve made the decision; it’s up to you to figure out how to implement it.’”

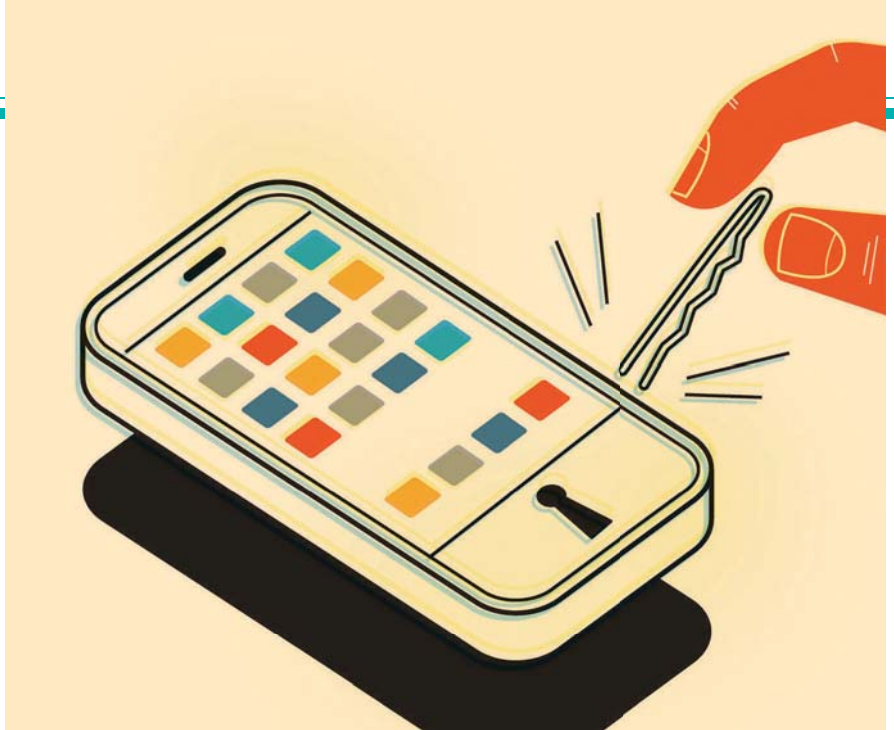
Leaving the IT department in the lurch here is a dangerous game, says Toronto-based Constantine Karbaliotis, Americas privacy leader at Mercer, a global human resources firm. “This is a big privacy issue that involves policy, education and technology,” he says. “There are risks with BYOD that you don’t want to just walk into.”

Here are five key points about BYOD that must be taken into account if companies want to protect themselves from these growing risks.

1. BYOD significantly increases the odds of corporate data breaches.

Security leaks caused by mobile devices are nothing new; IT departments have been securing laptops for two decades. Smartphones and tablets have upped the ante here because they’re easily misplaced; 120,000 of them were left in cabs last year in Chicago alone, according to a MicroTrax study. They’re also harder to secure because of the many mobile platforms.

The user-friendliness of the devices also makes people less conscious of the risks. “People don’t realize that they’ve actually got a computer,” says Karbaliotis. “Apple snuck a computer into everybody’s hands. They called it a phone.”



2. The IT department must retain the right to access devices that use the corporate network.

Information technicians can only act on a security threat — for example, a stolen device or a rogue employee — if they can access all devices on the corporate network, including employee-owned smartphones and tablets.

Organizations that grant access to the corporate network should get a sign-off from each employee. The IT department should have the authority to delete data on remote devices to respond to a potential breach of corporate security.

“This is step one in a well-reasoned plan,” says O’Neil. “Everybody knows this, but few companies do it.”

Essentially, employees have to give up some privacy rights in exchange for the convenience of accessing the corporate network with their personal device. “Asking for access to data on their personal devices is a deal that they’re making,” says Karbaliotis.

3. BYOD risks depend on how an organization uses the cloud.

A company’s exposure to BYOD threats depends on how much information is in the cloud. In cloud computing, less data is stored on the device itself; the risk of a data breach is reduced if the device is lost, stolen or hacked.

However, it’s difficult to monitor which of the many storage sites — for example, Dropbox — a personally owned device has access to.

To secure data that isn’t in an identified physical location, companies are taking a closer look at protecting and tracking employee identities: name, password, identifiable information, and access rights. “Identity is becoming the new security perimeter,” says O’Neil.

4. The BYOD challenge involves both corporate and personal data.

Corporate data isn’t the only issue. Personal devices normally carry personal information, and employees have the legal right under the Charter to keep this information private. For example, personal email on a device could be called in as evidence in a divorce proceeding or used in a disciplinary action. Failure to recognize the employee’s privacy rights could land a company in court.

“Apple snuck a computer into everybody’s hands. They called it a phone.”

Companies must have written policies for managing all the information — corporate or private — that they have access to. This information includes private email, Facebook activity and geo-location.

5. Technology can help, but it’s not a magic bullet.

In its latest software release, BlackBerry has taken aim at the personal-corporate data issue. A feature called Balance places two separate environments — one for personal and one for business information — on a personal device.

The ease of switching back and forth eliminates error and compliance problems, and the environments are isolated from each other. It’s not even possible to copy a file from one side of the “wall” to the other.

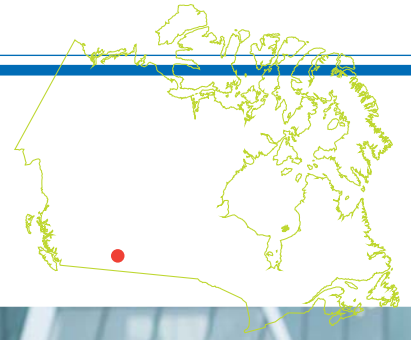
“The unique element here is a seamless user experience that allows an easy transition from work to personal and back,” says Bob Dawson, BlackBerry’s vice-president of enterprise software programs.

Other companies, such as San Francisco-based software vendor VMware, also support the “dual persona” through a technology called a container. The self-contained app gives the user access to corporate computers.

Most Canadian companies are now exposed to BYOD-related risks, and IT departments can’t handle the problem alone. Adequate protection could require a significant investment, and Karbaliotis suggests a formal risk analysis is the first step in a reasoned approach. “It’s never a case of you won’t pay,” he says. “It’s a question of when.” ■

Jacob Stoller is a writer and researcher. See www.jacobstoller.com.

Call of the West



Carolyn Scissons, CMA, finds opportunity in risk taking

By **Jaclyn Law**

BUSINESS IS BOOMING IN CALGARY, and that means exciting possibilities for people who are talented, driven and adventurous. Carolyn Scissons feels right at home in the heart of the action.

Originally from Prince Edward Island, Scissons completed her BCom (honours) accounting degree at the University of Ottawa in 2006. After graduation, she worked at KPMG in Halifax, and then she and her husband (an electrician) made their big move to Calgary.

“It was a calculated risk,” says Scissons. “We knew it would be a great place to start a career.”

Scissons soon landed an analyst’s position at Alberta Energy. While working there, she completed CMA Alberta’s two-year Strategic Leadership Program.

“This industry is fast paced and always changing, so you have to be a quick learner,” says Scissons. “I can face new situations with confidence because I have different skills, tools and techniques to solve any problem.”

Scissons joined Flint Transfield Services, which provides asset management and maintenance to the energy industry, as an internal audit manager. She’s now working in business improvement as a senior adviser at Suncor Energy.

“I love working with the oil and gas industry,” says Scissons. “That’s where the biggest opportunities are if you continue to build your skill set and take on new experiences.”

Scissons is a huge supporter of the unification of Canada’s accounting profession. “It’s much easier for non-accountants to understand, and I think it’ll create opportunities for CMAs.” ■

Jaclyn Law is a Toronto-based freelance writer. See <http://about.me/jaclynlaw>.

Industry: Oil and gas
Role: Senior Adviser, Business Improvement
Most valuable piece of advice: “Invest in your own development. It benefits you and your career.”



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