

# CMA magazine

THE VOICE OF MANAGEMENT ACCOUNTING  
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NOVEMBER/DECEMBER 2011

Tapping into the global market  
Are tablet PCs game changers?  
TV dragon Kevin O'Leary talks  
The revised CMA Competency Map

## Creating a level playing field

Secrets of career success  
for internationally  
educated professionals

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management, leadership  
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accounting profession

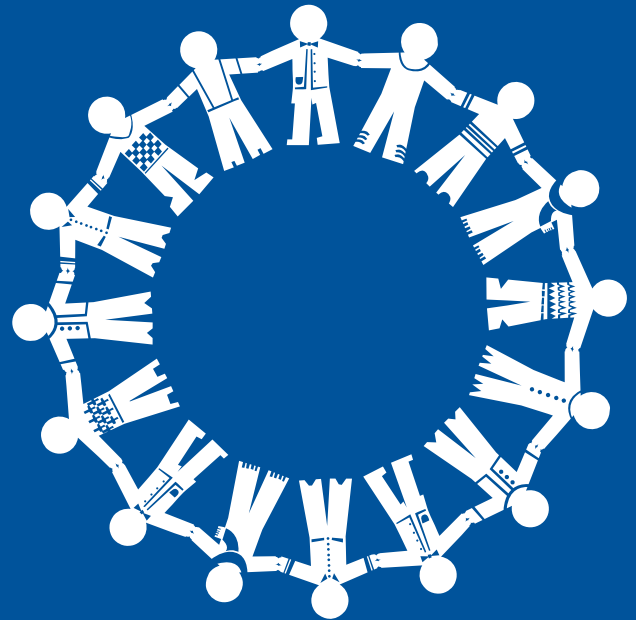


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CMA magazine is published six times per year by Certified Management  
Accountants of Canada (CMA Canada). Published articles and  
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Printed in Canada by Ironstonemedia.  
www.ironstonemedia.com

Canadian Publications Mail Product Sales Agreement # 40064728  
Postage Paid in Toronto  
Indexed in Canadian Periodical Index ISSN 1926-4550



## I'm so busy you can't imagine how busy I am!

I'm a fast-moving train barely stopping at stations. I flip and forward email at the speed of light. (You know how water looks bursting out of a hydrant? That's me!) One day I wore running shoes to work. My feet wanted to keep up with the rest of me.

But it comes with a price, don't you think? Exhausted colleagues barely take the time for a coffee. Others count down to the holidays and forget that the lead-up is part of the fun. And how about those Friday evening zombies? With just 48 hours to catch up on all the other stuff, it's a wonder we make it to Monday.

"You. Don't. Own. Busy," someone snapped back at me. Ouch.

Of course I don't, we all do! In fact, a corporate consultant tells me everyone in every single organization that she works with believes they own it. So while we're all busy, she says the question becomes "How do we live in the reality of what we work with and enjoy the ride?"

Ah. Reality. Work. Joy.

That same question was circling through my head after attending a high school reunion and contemplating my children's future. Will they live their dreams or be stuck with reality?

As the snow and this magazine land on your doorstep, the pre-holiday busy season will reach its zenith. Deadlines will seem even more urgent, and functions, bake-offs, concerts and cocktail parties will propel *I'm so busy* to seemingly unprecedented heights.

Take the time to stop. Breathe. Find ways to not only get through it, but also live it and love it.

Enjoy the issue. And may your holiday be exceptional.

**Mara Gulens**

Director, Publications/Editor-in-Chief  
mgulens@cma-canada.org





## ARE YOUR CLIENTS READY TO INVEST IN EQUIPMENT?

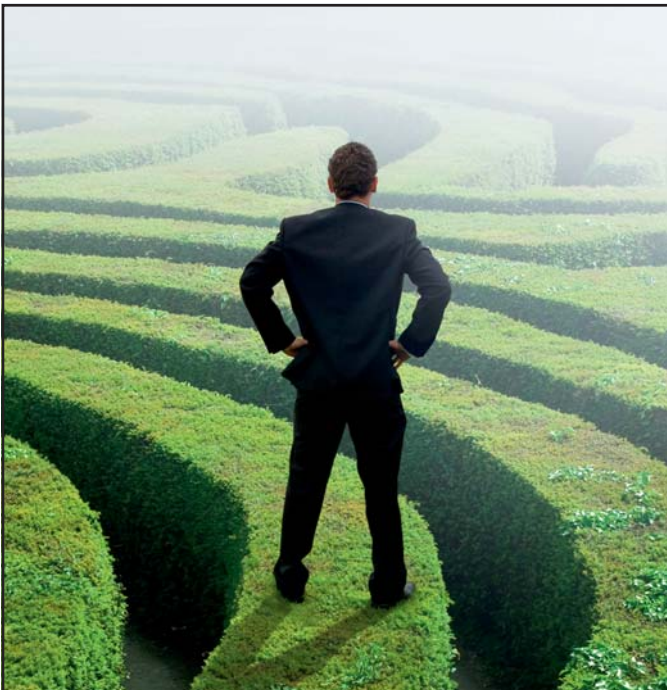
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# Reading + writing

We love publishing your writing, and for that reason Professor Fontaine’s letter is our letter of the month. We published Kim Pittaway’s “How to Get Your Article Published” to help CMAs work better with editors at *CMA magazine* and elsewhere. Which articles are helping you in your career?

As a professor who is required to publish, I struggle with my writing. Your article (“How to Get Your Article Published,” Sept./Oct.) has provided me with great advice.

Point 6 — getting the attention of the editor quickly — is especially important. Editors are busy people and need to quickly see the author’s main selling points. I’m convinced that by not respecting this advice, many writers are getting their articles rejected. Please continue to provide more excellent articles on writing.

—Richard Fontaine, FCMA  
Montreal, Que.



## What do you do? I spend most of my work day on

- a) management accounting
- b) financial accounting
- c) non-accounting work

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The magazine’s electronic format is great and works very well. I like the fact that I can easily share articles of interest with colleagues and CMA prospects — something I don’t tend to do with the paper format. I also like the references and connectability to our CMA MAGs and other websites. This format provides greater access and should increase the use of all our resources. Good job.

—Deborah Clarke  
Toronto, Ont.

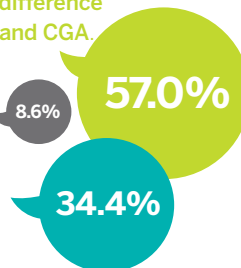
## I’m a CMA!

In the September/October issue, we asked what you say when you tell people “I’m a CMA.” Here are your responses:

I must explain the difference between CMA, CA and CGA.

They know exactly what a CMA is.

I just say I’m an accountant.



### Here’s what else you had to say:

- > “I explain the benefits of management accounts and the special business acumen that CMAs excel at.”
- > “Clients don’t care about the distinction. Clients are concerned you can do the work.”
- > “While the focus of each group may vary, we all have an A at the end of our designations.”
- > “People ask back if I’m a CA. After I tell them I’m a CMA, I usually have to explain the difference between a CA and a CMA.”
- > “I’m very proud to be a CMA, but I can find it intimidating to adequately (and concisely) explain the differences between the professional designations.”
- > “CMAs are distinguished by their enhanced and unparalleled professional attitude and expertise.”

**NOTE:** In “Onward and Upward” (September/October), Vicky Therrien’s background was incorrectly stated. Therrien has a bachelor’s degree in accounting from the University of Moncton and is working on her doctorate at the University of Sherbrooke.

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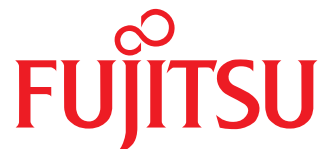
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# New and relevant

## FUTURE SHOCK

### The decline of email

Email will likely not be your primary tool of communication within the next five years, suggests a Robert Half Technology survey.

Nearly half (48 per cent) of CIOs in more than 270 companies across Canada said real-time workplace communication tools will surpass email in popularity.

“Although there’s a definite place for email in the workplace, using real-time tools allows workers to solve problems and get the answers they seek much more quickly than constructing an email and waiting for a reply,” said Lara Dodo, a regional vice-president for Robert Half Technology in Canada. “IT professionals need to be sure to keep pace with new technologies as expertise in these real-time tools can enhance their marketability and help them stay competitive in the job market.”

The top three benefits of real-time technologies are speed, convenience and the social aspect.

As an example, internal instant messaging allows employees to have conversations in real time and resolve issues more quickly. – *A.C.*

## WEB WATCH

### Revamped site

The newly relaunched website of the International Federation of Accountants includes

- expanded content
- intuitive, streamlined architecture and navigation
- a cleaner and more modern design

Social media tools are included. Visit [www.ifac.org](http://www.ifac.org). – *M.G.*

## PAYDAY

### Salary survey

Canadian salary budgets are slowly moving back to pre-recession levels, reports Towers Watson’s annual salary survey. By 2012, salaries are expected to jump 3.2 per cent. That’s up from the 2.9 per cent increase employers were suggesting for 2011.

Employees who did not meet expectations received no merit increases; employees who exceeded expectations received up to 5 per cent increases. That trend will continue for 2012.

The study also found that executives had the largest average salary increases (3.1 per cent in 2011, with 3.2 per cent expected next year) and that fewer companies are freezing salaries. In 2009, 30 per cent of the companies surveyed froze salaries, whereas only 1 per cent plan to do so in 2012. – *M.G.*

## INCREASING AWARENESS

### Dementia’s costs rise

Costs of long-term care linked to dementia are rising, and concerned governments should “spend now to save later.” According to the World Alzheimer Report 2010, costs associated with dementia totalled US\$604 billion or about 1 per cent of global GDP.

“Failure to diagnose Alzheimer’s in a timely manner represents a tragic missed opportunity to improve the quality of life for millions of people,” said Dr. Daisy Acosta, chairwoman of Alzheimer’s Disease International (ADI).

Approximately three-quarters of the estimated 36 million people worldwide living with dementia have not been diagnosed and hence cannot benefit from treatment, information and care.

In the 2011 report, ADI recommends that all countries create a national dementia strategy that promotes early diagnosis and intervention through raising awareness, training the health and social-care workforce, and strengthening the health system.

See the report at [www.alz.co.uk/worldreport2011](http://www.alz.co.uk/worldreport2011). – *C.M.*

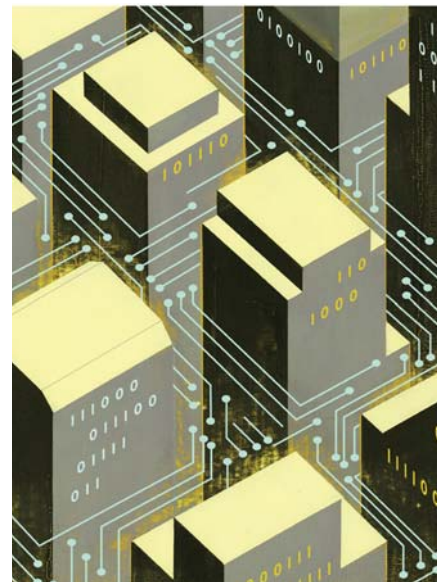
## WEB TRENDS

### Sustainable development is top priority

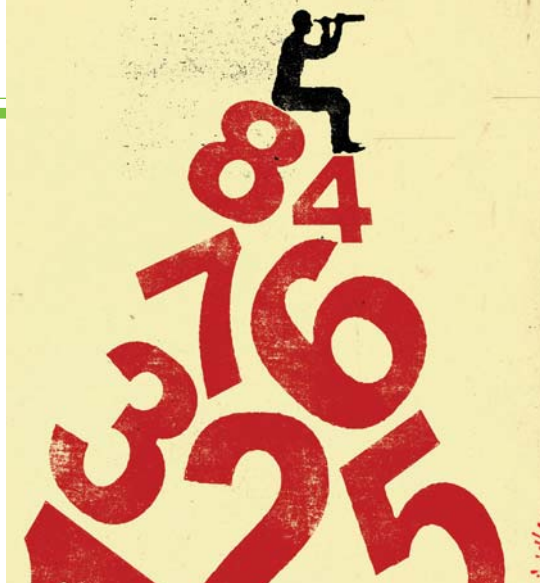
Web-based communication about sustainable development in large Canadian businesses has increased significantly over the last five years, reports a study conducted by Solange Tremblay and Jacques Baronet, two members of Groupe Durabilité Communication. In 2010, more than 70 per cent of these businesses had a section on their website. This figure is up 60 per cent from 2006.

Locally and globally, businesses are increasingly expected to meet high standards of corporate social responsibility. The growing effort to create a web presence about sustainable development and social responsibility performance confirms “a major turning point in their [companies’] communication strategies,” said Tremblay.

The study also found that communication on sustainable development is now prioritized over all other forms of extra-financial communication. For more information, visit [www.durabilitecommunication.com](http://www.durabilitecommunication.com). – *C.M.*







## GLOBAL RECRUITING

### Send in the accountants

Finding and retaining quality accounting and finance professionals is difficult.

Nearly 67 per cent of 6,000 financial leaders in 19 countries surveyed for a Robert Half Global Financial Employment Monitor said it's either very or somewhat challenging to find skilled accounting and finance professionals for certain jobs.

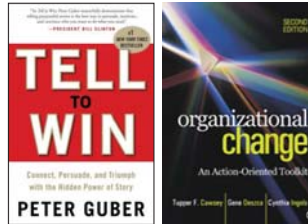
Those surveyed were also more worried about keeping top performers than they were a year ago. Fifty-six per cent of financial leaders said they were at least somewhat concerned about retaining their staff in the coming year. The figure was 45 per cent in 2010.

"Many firms are concerned about their ability to build and retain the accounting and finance teams they need to support the demands of the business," said Max Messmer, chairman and CEO of Robert Half International. "Finding skilled professionals has become increasingly challenging, and candidate shortages are emerging in some regions and specialty areas."

Global snapshots:

- In Brazil and Singapore, virtually all respondents (97 per cent in each country) reported hiring challenges.
- In Italy, firms experienced the most difficulties when filling finance jobs such as controllers and financial analysts.
- In the Czech Republic, 42 per cent of executives said tax accountants and cost accountants were the most challenging to hire.
- Around the world, the hardest positions to fill were accounts payable and payroll.

Approximately 56 per cent of respondents said they were very or somewhat concerned about losing valued employees in the coming years. In Canada, 41 per cent of executives said they were at least somewhat concerned about losing key personnel; the figure was up six points from the previous year's survey. – A.C



## BOOK REVIEW

### Tell it to sell it

When selling a product or making a deal, you're better off telling stories than presenting facts, figures and data, says Peter Guber, a Hollywood guru and UCLA professor.

According to *Tell to Win: Connect, Persuade and Triumph with the Hidden Power of Story*, the best stories have emotional themes that listeners get wrapped up in. The best stories also have heroes — the listener, narrator, tribe, product or location — with whom listeners can identify.

Guber's stories about stories come from many sources including first-hand and witnessed experience, books, movies and history.

*Tell to Win* includes an excellent chapter entitled "Tell!" on stage presence. A forceful storyteller starts by breathing deeply and slowly to focus, and ramp up energy. Fears are overcome by mentally reviewing goals, story, audience interest and the expected reaction. The storyteller's most successful presentations interact with the audience, arouse curiosity and demonstrate the storyteller's vulnerability.

Guber concludes this insightful book by pointing out that the best stories never end. They are passed on by word of mouth and social media.

Author: **Peter Guber**  
 Publisher: **Crown Business**  
 Reviewer: **Patrick Buckley**, CMA, PhD

## BOOK REVIEW

### Tools for change

*Organizational Change: An Action-Oriented Toolkit* systematically integrates thinking, feeling and doing into organizational change through cognitive diagnosis, affective motivation and behavioural action.

The five-step process also explains ways to hurdle gaps and measure the impact of actions taken:

- **Diagnosis** Determine what's not working for the organization and what parts are not congruent.
- **Motivation** Get people to strive to attain their vision.
- **Gap analysis** Map specific actions people can take to attain a desired future.
- **Action** Implement the change.
- **Evaluation** Evaluate the effectiveness of the change.

The balanced scorecard helps measure effectiveness, while the DICE (Duration Integrity Commitment Effort) model measures risk. Strategic maps are useful because they link the contribution of each mini-change to overall organizational effectiveness. Better evaluations account for control systems such as the jelling (or not) of personal beliefs with organizational values.

*Organizational Change* is enhanced by its diverse ideas on gap analysis. The book recommends

- developing adaptive organizational structures that are more open to change
- understanding the hidden forces of culture and power that embrace (or oppose) change
- rethinking assumptions about the resistance of individuals to change
- finding and developing master change agents

Authors: **Tupper F. Cawsey**, **Gene Deszca** and **Cynthia Ingols**  
 Publisher: **Sage**  
 Reviewer: **Patrick Buckley**, CMA, PhD



**GENDER**

**Get heard**

Women need to speak up and out, especially in high-pressure meetings.

In Britain, Dr. Judith Baxter discovered in an 18-month study that women were four times more likely than men to be self-deprecating, use humour, and speak indirectly or apologetically to avoid conflict when broaching difficult subjects with board members.

Women began comments with phrases such as “I am probably speaking out of turn, but ...” and “Sorry to cut across you like that, but ...”

The result? “I have seen a woman use all the wrong linguistic strategies, and she lost the room,” said Baxter, a lecturer in applied linguistics at Aston University.

But while women may not ask for what they want or need, they are masters at building relationships, insists Anne Day, founder of Company of Women, a community of women in business who support, connect and promote one another.

“Women can often outmanoeuvre men by coming up with choices and by letting their male counterparts believe it was their idea in the first place,” she says.

According to Ann Crittenden’s *If You’ve Raised Kids, You Can Manage Anything*, women learn these more subtle negotiation skills while parenting. – M.G.

**IFAC FOLLOW-UP**

**Participants and case studies wanted**

The July/August 2011 issue of *CMA magazine* discussed *Competent and Versatile: How Professional Accountants in Business Drive Sustainable Organizational Success*, a paper written by the International Federation of Accountants’ Professional Accountants in Business committee. (To see the original paper, visit <http://web.ifac.org/publications>.)

The committee is now interested in compiling practical examples of how professional accountants support their organizations in the eight drivers of sustainable organizational success:

- customer and stakeholder focus
- effective leadership and strategy
- integrated governance and risk and control
- innovative and adaptive capability
- financial management
- people and talent management
- operational excellence
- effective and transparent communication

To recommend a brief case study, or to express interest in participating, contact Vincent Tophoff at [vincenttophoff@ifac.org](mailto:vincenttophoff@ifac.org). – A.C.

**EMPLOYEE SATISFACTION**

**Secrets of successful telecommuting**

Telecommuting and working from satellite offices have increased over the last three years, according to 270 CFOs surveyed across Canada.

In a survey developed by Accountemps, CFOs were asked, “Have remote work arrangements (telecommuting or working from a satellite office) within your company increased, decreased or remained the same in the last three years?”

Five per cent said it had increased greatly, 17 per cent said it had increased somewhat, and 66 per cent said there had been no change.

“Providing staff with more flexibility over their work schedules can be a great incentive for employees, as well as a valuable retention tool for business,” said Kathryn Bolt, Canadian president of Accountemps. “Although not all roles are suited for remote work arrangements,” she added, “companies that do allow them should establish clear expectations and productivity goals with their employees.”

For employers who allow telecommuting, Accountemps offers this advice:

- Keep the lines of communication open with those who work remotely.
- Keep remote workers in the loop on the latest news that may affect daily responsibilities.
- Ensure employees have the necessary tools to perform their duties.
- Establish expectations.
- Make sure employees feel and stay connected to the group. – A.C.

Noteworthy is compiled by Andrea Civichino (A.C.), Mara Gulens (M.G.) and Cindy Mantione (C.M.).

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# Tracking development

## The revised CMA Competency Map

By **Richard Benn**, FCMA

**THE CMA COMPETENCY MAP SERVES** as the definitive guide to the competencies of a CMA from pre-professional status to post-designation.

Originally created in 2005, the map guides candidates, practitioners, employers and the institutions that contribute to competency development through training and mentoring. The Competency Map also supports CMA Canada in its positioning of the CMA designation in relation to other accounting and management designations.

As reflected in the map, CMA Canada has chosen to go further than other accounting associations in codifying the attributes of a well-rounded leader who can bring together operational, strategic and financial knowledge and insight.

The CMA's three pillars — accounting, management and strategy — outline a scope that reflects that wide variety of expertise. Consequently, the knowledge required to successfully assume the roles and responsibilities of a CMA come from many sources, and the Competency Map must cover a broad spectrum of knowledge.

The CMA Competency Map covers the career progression of CMAs from the requirements to enter the profession, to earn the competencies for the CMA designation and then to guide the professional growth of CMAs as they progress through their careers.

The possible career paths for CMAs are diverse. Some CMAs move up the corporate ladder and become chief officers. Others become specialists within their chosen disciplines.

In larger companies, CMAs might be more specialized, while in smaller companies they wear more hats.

### Review and revise

Under current CMA policy, the Competency Map is re-examined every three years to incorporate continuous improvement through systematic revision and review. It also ensures that CMA competencies reflect the latest trends in the profession.

## CMA Canada has chosen to go further than other accounting associations in codifying the attributes of a well-rounded leader.

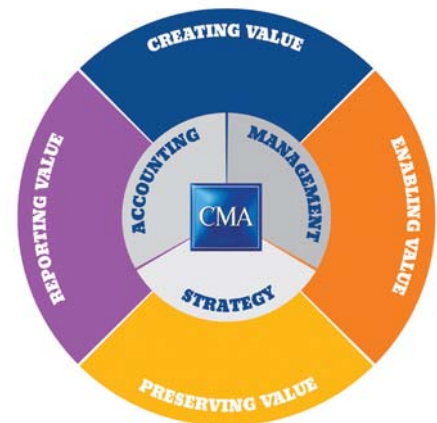
In February 2011, CMA Canada approved a significant update to the CMA Competency Map. The update was crafted after extensive consultation with stakeholders and input from both academic and practitioner communities. It also gives consideration to direction set by the International Federation of Accountants' Professional Accountants in Business Committee.

The most obvious change to the new map is the format. Whereas the previous map listed competencies

separately at each career stage, the new map more succinctly lays out competencies for Knowledge Acquisition (pre-professional), Professional Proficiency (certification) and Advanced Proficiency (post-designation). The map is arranged in an easier-to-navigate, side-by-side linear fashion.

The map is supplemented with a revised syllabus for both the Entrance Examination and Professional Program, and is already helping define future program content.

With competencies categorized as Creating Value, Enabling Value, Preserving Value and Reporting Value, the updated map's new theme reinforces the value proposition that CMAs bring to the marketplace.



The new Competency Map can be found at [www.cma-canada.org/competencymap](http://www.cma-canada.org/competencymap). ■

**Richard Benn**, FCMA, C.Dir., is executive vice-president of CMA Canada.



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## Scoring success

### BSC-based executive incentive plans produce positive results

## One key to success is tailoring the BSC to your organization

By **Raili Pollanen**, CMA,  
and **Kenneth Xi**

**WILL A BALANCED SCORECARD HELP** your organization promote performance improvements? And will tailoring it to your specific organization boost its effectiveness? Those are the key questions we set out to explore in our survey of over 300 companies.

#### What gets measured

The Balanced Scorecard (BSC) is a widely used performance measurement and management framework that has been implemented in various types of organizations since its development by Kaplan and Norton in the early 1990s. The BSC represents both financial and non-financial performance aspects that are important from financial, customer, internal, learning and growth perspectives.

The basic premise of the BSC is that attention paid to performance through measurement and monitoring can improve performance. As the common adage suggests, “What gets measured, gets done.”

Incentive compensation plans have also been extensively used to motivate executives to strive for performance improvements. As another common motto suggests, “What gets rewarded, gets done well.”

#### Double driver

Less understood is whether the two mechanisms together can achieve even greater performance results. In other

words, do BSC-based incentive compensation plans work as “advertised” in practice?

More specifically, do they work well in all organizational environments, or are there organizational characteristics that make them suitable for some organizations but not others? Do companies that use BSC-based incentive compensation plans achieve better organizational performance? If so, do all companies benefit equally, or are greater benefits reaped when the BSC measures used in executive compensation are specifically designed to fit an organization’s characteristics?

#### The approach

Data were collected for 330 companies from Standard & Poor’s Compustat database, Osiris and Zephyr databases, and company websites. The companies were drawn from various industries including mining, construction, manufacturing and utilities and from the transportation, retail, wholesale, financial and service sectors.

The existence of BSC-based compensation plans was confirmed by a review of corporate proxy statements. From 1992 to 2009, 165 companies had adopted BSC measures. An equal number of companies not using BSC measures in their executive incentive plans was selected for comparison. Each company using the BSC was matched with a company of similar size operating in the same industry.

*As the common adage suggests,  
 “What gets measured, gets done.”  
 As another common motto suggests,  
 “What gets rewarded, gets done well.”*

**Tying BSC to compensation**

Of the 165 companies that had adopted BSC measures, some tied them to incentive compensation plans and some did not. Our research found the following:

- Companies that used an innovation and growth-oriented strategy were significantly more likely to use BSC measures in executive compensation plans than companies that competed on cost leadership strategy.
- Companies that emphasized quality management were significantly more likely to use BSC measures in executive compensation.
- Companies that operated under the following conditions were significantly more likely to use BSC measures in executive compensation plans:
  - ▶ a complex (decentralized) organization
  - ▶ a high proportion of institutional ownership
  - ▶ in the financial or utility industries
  - ▶ an Anglo-American culture

**BSC scores**

The companies that used BSC measures in executive incentive plans significantly outperformed the companies that did not on several key performance measures including stock return, price-earnings ratio, dividend yield, price-cashflow ratio, return on assets, return on equity, return on investment,

net income per employee, labour cost per employee, earnings-per-share growth rate and debt-equity ratio.

The companies that matched or “fitted” BSC measures used in executive incentive plans with organizational characteristics (i.e., strategy, industry, quality focus, organizational structure, culture and institutional ownership) significantly outperformed the others.

But several factors that have sometimes also been considered important in choosing strategic performance measures did not significantly influence the likelihood of BSC use in executive incentive plans or its impact on performance. Factors in this category include mergers and acquisitions, a new chief executive officer, product development and life cycles, the financial condition of the company and general economic conditions.

**Top level implications**

A review of the findings suggests the following:

- The BSC can be a particularly valid and important tool for executive incentive compensation purposes for companies that have chosen the innovation and growth-oriented strategy and for those with a quality management focus.
- Well-designed and implemented BSC-based executive incentive plans can improve organizational

performance which can be measured by market-based and traditional accounting measures.

- For the best overall performance results, companies should tailor BSC measures to fit a variety of organizational characteristics in a strategic manner. Companies cannot ignore their organizational environment.

Study findings imply that shareholders and managers may seek to align their interests through performance measurement and incentive plans. Such alignment can enhance managerial and organizational goal congruence and involves directors, executives and accountants in designing, implementing and overseeing effective performance measurement, management control and incentive systems.

As strategic management accounting professionals, CMAs can and should play a critical role in planning, monitoring and evaluating such initiatives. ■

**Raili Pollanen**, PhD, MBA, CMA, is an associate professor of accounting at the Sprott School of Business at Carleton University in Ottawa. **Kenneth Xi**, PhD, MBA, CFA, is an accounting economist at Statistics Canada in Ottawa. This article is part of a paper presented at the 2011 American Accounting Association Mid-Atlantic Meeting where it received the Distinguished Paper Award (Management Accounting Section).

# Tapping into the global market

## Technology puts the world within reach for SMEs

But simply being online isn't enough, say the experts

By **Sharon Aschaiek**

### EQUIPPED WITH DIGITAL TECHNOLOGY

to help them reach global markets and customers, small- and medium-sized Canadian enterprises have never had an easier time internationalizing their businesses.

Free or affordable web-based applications such as professional networks, teleconferencing services and social media sites, combined with advances in digitally automated production processes and mobile information and communication devices, are making it possible for SMEs (small- and medium-sized enterprises) to operate more efficiently on the global business scene. But how well digital tools work for SME owners depends on their technology skills, level of commitment and overall business strategy.

“The Internet has increased the opportunity to be visible outside local markets very dramatically,” says Eileen Fischer, professor of marketing at the Anne and Max Tanenbaum Chair of Entrepreneurship and Family Enterprise at the Schulich School of Business at York University. “In principle, a small Canadian company based in a relatively small geographical region can be visible worldwide.”

### Online but not selling

Fischer is co-author of the Conference Board of Canada report *Building International Sales in a Digitized Economy: Best Practices for SMEs*. According to the report, published in

May 2011, more Canadian SMEs than ever are using digital technology, but not many are selling online, largely because they don't know how.

However, the report, which is based on an extensive literature review and interviews with Canadian entrepreneurs successfully selling internationally online, asserts that with the right strategy, SMEs can effectively leverage digital markets to pursue foreign business.

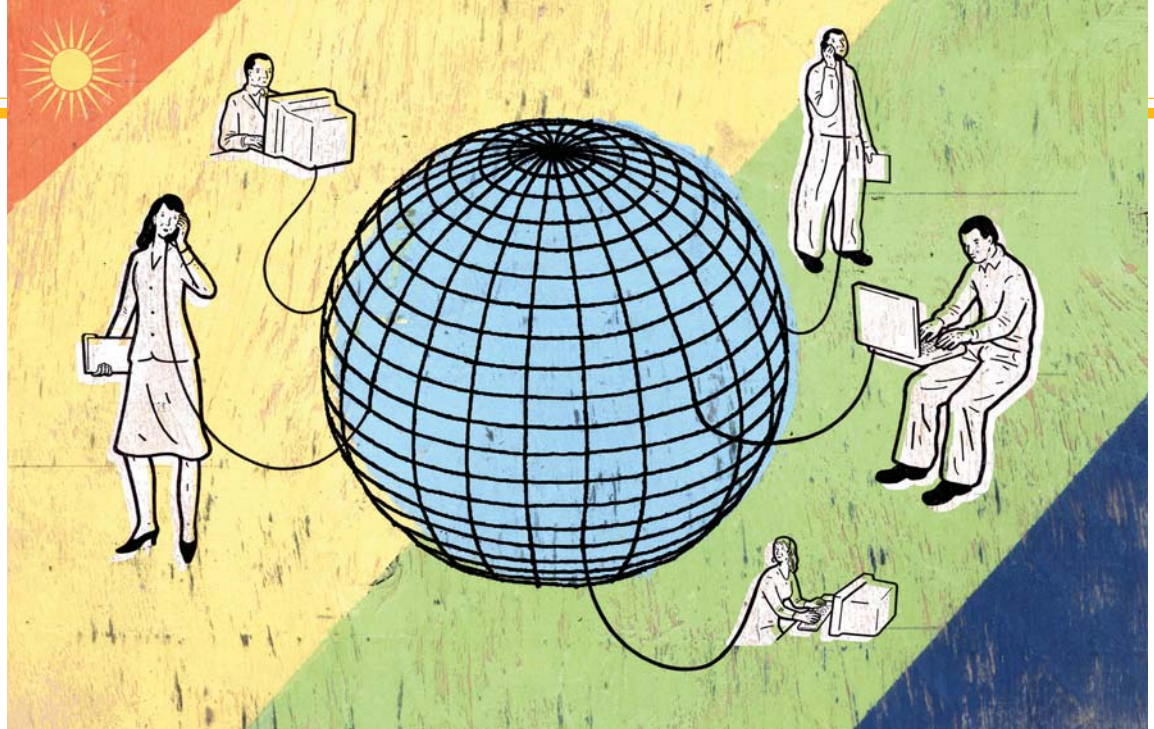
“There has to be a tech champion within the company who's supported to help make social media and the Internet a part of the company's overall strategic imperative,” Fischer says. Succeeding in business online requires becoming visible in a positive way, she says, by cultivating an engaging brand community or getting endorsed by influential third parties.

### Digital is critical

For Eric Roberge, CMA, digital tools are critical to efforts to penetrate the highly globalized mining industry. Roberge is the owner of Photonic Knowledge, a mining services company based in Montreal, Que.

Demand for the company's innovative new technology, which analyzes mineral deposits much faster than conventional methods, has been generating significant interest from companies in Mexico, Guyana, Panama, Chile and Australia. To respond, Photonic Knowledge maintains a detailed website, researches





international markets, clients and opportunities online, and uses interactive web tools to conduct business and network with current or potential clients.

## “There has to be a tech champion within the company.”

“We’re using Skype a lot to make presentations to mining companies around the world. It’s time-consuming and expensive to travel for business, so this technology helps us connect with clients in a productive way,” Roberge says. “We’re also using LinkedIn to connect with companies and thought leaders in our industry and to get referrals.”

D’arcy Elliott, CMA, is also making good use of the Internet for international business. He is head of Delta Factor Inc., a public-sector management consultancy in Edmonton, Alta.

Before starting his company in 2001, Elliott spent 20 years consulting for global professional firms on institutional strengthening projects in countries such as St. Lucia, Trinidad, the British Virgin Islands, the Philippines and Papua New Guinea.

The foreign work experiences and business contacts have been instrumental to Elliott staying active in the

field. In addition, as an entrepreneur, he now relies more on the Web to get information on international development organizations and to identify and respond to opportunities.

“The ability to develop a business strategy is much easier than it was 10 years ago, because you can do Internet searches on international aid companies, find out about their upcoming projects and register your resumé digitally,” Elliott says.

### Global improvements

Digital technology has also been embraced by manufacturing and natural resource companies that export internationally, enabling them to more effectively automate production processes, share more information with customers, and support better communication and information-gathering among employees through handheld Internet-enabled devices.

“When you can better automate the physical movement of goods, tasks can flow more smoothly and you can start to focus on where value gets created. Technology also helps to create more transparency with customers, and allows for data to be accessed from anywhere through iPads,” says Fergus Groundwater, CMA. He is an international trade expert with Export Development Canada, which each year serves 8,300 Canadian companies, 80 per cent of which are SMEs.

However, says Groundwater, as

powerful as digital technology can be for SMEs that want to do business globally, it should ultimately be one part of a larger, well-thought-out business strategy.

Says Groundwater: “Technology is a critical tool, but if you don’t have the right people and business processes, then technology is just technology.” ■

**Sharon Aschaiek** (*sharon@cocoamedia.ca*) is a Toronto-based freelance writer.

## SUCCESS OVERSEAS

International trade continues to grow steadily, and more companies, big and small, are competing and succeeding overseas.

**Export Now: Five Keys to Entering New Markets** (Wiley), a new book by international business experts Frank Lavin and Peter Cohan, offers step-by-step instructions on how business owners, including SME owners, can pick countries and markets, understand different customers and cultures, study competitors, apply their core capabilities and generate operating resources.

With first-hand insights as well as case studies, the book is a primer on developing an international export plan.

By **Deirdre McMurdy**



# Going forward

## Uniting Canada's accounting profession

**W**ell into his career as a banker, Peter Conrod realized an MBA wasn't going to get him where he wanted to go. Determined to refine his knowledge and improve his mobility, Conrod – now vice-president of client and business strategy, commercial financial services, at RBC – pursued a CMA designation. Along the way, he learned about much more than the strategic application of financial and accounting theory. It also became clear there were misunderstandings about the Canadian accounting profession.

“Especially among the younger students, there was real confusion about the differences between the various professional designations,” he recalls. “If we want to attract the best talent to accounting, we have to address this.”

That firsthand view – along with Conrod's extensive experience dealing with business owners equally confounded about which sort of accountant to hire – makes Conrod support the proposed creation of a new Canadian CPA designation, known as Chartered Professional Accountant. The proposal calls for legacy accounting bodies to unite under the Canadian CPA banner.

“The whole world is moving to common standards of all kinds and we need to be proactive,” he says. “It will give us better access to international capital, a stronger international brand and voice, and a reinforced domestic profession.”

His perspective resonates with other CMAs across the country.

Amanda Whitewood, CFO and vice-president of sustainability at Capital Health in Halifax, makes the point that “accountants are supposed to be able to explain things clearly

to others. And it's time we did that for ourselves.”

She adds: “The waste, the duplication, the fees, the confusion. Accountants are supposed to be responsible about bottom-line issues, and we don't set a great example in the way we're structured now.”

In Whitewood's view, the gradual transition to a single designation provides time to foster mutual respect and understanding among organizations which have been competing with one another for talent and clients for decades.

### Is Canada keeping pace?

Those outside the accounting profession are frequently baffled by resistance to what they see as an obvious – and necessary – change.

“If professional accountants in Canada want to stay relevant, they're going to have to edge out of their comfort zone,” says Ed Waitzer, a corporate lawyer, director and governance adviser. “They have to understand that the world around them is changing fast, even if they're reluctant to keep pace and come together.”

Waitzer knows what he's talking about. He played a key role in restructuring the International Accounting Standards Board (IASB) and was a member of the Independent Review Panel on the Modernization of Comptrollership in the Government of Canada. He was also a participant on the Canadian Institute of Chartered Accountants' (CICA) Task Force on Standard Setting and a public director of the American Institute of Certified Public Accountants (AICPA).

Historically, says Waitzer, the solid reputation of Canadian accounting standards has been sufficient. “Canada



has always punched above its weight in international accounting circles,” he says. But in the current global context, “professional fragmentation is increasingly fatal and we will quickly lose our clout.”

### **Winds of change**

In fact, there is intense competition among international accounting bodies to boost their global brands and market share. Two accounting organizations in the United Kingdom have filed for use of the same Chartered Professional Accountant name and CPA designation proposed for Canada.

But the challenges facing the accounting profession involve more than maintaining a strong international presence. Factors such as consolidation or eroded self-regulation are other possibilities.

In the United Kingdom, a jurisdiction with multiple accounting designations, a House of Lords’ committee noted that the “regulation of accounting and auditing is fragmented and unwieldy.” The committee is expecting the profession to provide impetus for “rationalisation and reform,” but if things take too long, it has recommended “that the government stand ready to impose a remedy.”

Back in Canada, specifically Quebec, the CMA, CA and CGA orders announced in October that their respective boards of directors have recommended moving forward with a merger of their organizations. The provincial government is expected to introduce legislation to establish the new organization in early 2012. The legislation would come into force in April 2012.

### **Confusion about accounting designations**

Furthermore, research indicates that the distinctions between the accounting bodies in Canada are blurring.

As a former regulator, Waitzer is emphatic that the growing private and public sector confusion about the different domestic accounting designations — CMA, CA and CGA — and what they mean is weakening the profession at a critical time.

“If Canadian accountants want to maintain the argument for self-regulation, they have to present a strong, united front,” he says.

That warning is echoed by Jack Mintz, a tax expert who chairs the University of Calgary School of Public Policy.

“Self-regulation is a practice that’s really waned over the last few years, in part because governments stepped in to bolster consumer confidence in the aftermath of various scandals,” he notes, pointing to the experience in the United States.

“You need a strong, credible, unified body to reinforce the case for self-regulation. It’s the ultimate ‘trust me’ at a time when trust is rare.”

Former senator and business executive Michael Kirby concurs that the accounting profession’s domestic vulnerability is as pronounced as it is internationally.

“Going back to the late 1990s, the Senate was asking why there were so many accounting organizations and bodies in Canada,” he notes. “Those aren’t questions that actually have a positive answer, especially more than a decade later.”

Kirby says there’s never been a more important time for accountants to take a leadership role, starting with their own structure and designations.



But, he insists, “It’s absolutely not a function of the fact we’re living through very uncertain times. Clarity and harmonization are just as, if not more, important in good times, too.”

That’s certainly the case when it comes to clients. A clearer picture about the Canadian accounting profession would benefit the business community.

“Owners of small and medium-sized companies want things as clear, simple and efficient as possible. They don’t want to have to figure out all the differences between CAs, CMAs and CGAs. They just want it done,” says Catherine Swift, CEO of the Canadian Federation of Independent Business.

“As an employer, I’m really focused on getting access to the best talent and skill set,” says Glen LeBlanc, an FCMA and CFO at Bell Aliant. “What bothers me is that money and energy are being spent on competition between organizations but not on a concerted effort to attract the best and brightest to the accounting profession. That doesn’t serve me well as an employer.”

He adds: “As a profession, we need to broaden our talent pool, not become narrower and more rigid.”

### Attracting the next generation of accountants

That view speaks to a concern about the need to attract the next generation of accountants and to find the opportunities to do so.

“There’s a real demographic squeeze and it’s going to get worse. Even with immigration, the Canadian labour force is stagnant,” says Mintz. “It’s going to be harder to recruit and retain than ever before.”

This issue is challenging because regulated professions, such as accounting, must maintain standards to protect the public interest. The credentials of internationally trained accounting professionals must be fairly assessed, but there must also be efficient and accessible routes for these individuals to join the Canadian workforce.

“There’s a lot of confusion among students about the different designations and what they all mean,” says Conrod. “A succession plan for our profession requires that we make the path for the next generation clearer and make their goals easier to attain. That’s how you attract talent — and keep it.”

Adds Whitewood: “Our generation has grown up with the culture of loyalty to one organization, but the next generation doesn’t feel that way. They’re less cemented in the differences; they understand that these fine lines of distinction aren’t important and don’t foster excellence.”

### Bottom-line impact

A united accounting profession should produce cost savings and improved efficiencies — things that are dear to the heart of any accountant.

“There are just so many obvious efficiencies with one set of standards, one oversight body and a national reach,” says

*“The bottom line is that the world just isn’t the same as it was when three accounting organizations were established.”*

Randy Garvey, FCMA, executive vice-president at Canadian Western Bank in Edmonton. “The bottom line is that the world just isn’t the same as it was when three accounting organizations were established.”

Nonetheless, uniting Canada’s accounting bodies has been a tough sell over the years.

“Maybe this situation reflects our collective experience of federalism, that accommodation of distinctions and acceptance of regional interests,” suggests Paul Tellier, who now serves as a trustee with the IFRS Foundation based in London.

“Mark Twain once said that everyone’s in favour of progress; it’s change they don’t like,” says Kirby. “And that’s what we’re dealing with here.” He also points out that emotional arguments are the hardest to overcome.

LeBlanc, a veteran of a four-way corporate merger that failed several times before it finally came about, agrees there’s no question the process resulted in a more vibrant, competitive company. “We just had to get out of our own way.”

Still, Roger Martin, dean of the Rotman School of Management at the University of Toronto, doesn’t agree that a merger and the creation of a single designation is a panacea for addressing all of the issues at hand. “The process of unification will succeed only if there’s an acknowledgement of the differences,” he insists.

“In medical practice all are doctors, but some are general practitioners and some are brain surgeons,” Martin argues. “Levels of specialty are clear and are helpful to the end-user. You don’t call a brain surgeon when you have a cold.”

It appears that Canada’s accounting profession does not have the luxury of time if it wants to control its own destiny. Change is coming. But just how and when that change will happen will be determined by a process subjected to multifaceted scrutiny. ■

*To provide both CMA and CA members with an external but informed perspective on the proposed merger, the teams of both magazines agreed to a shared content approach.*

**Deirdre McMurdy**, a respected Canadian business writer, prepared a similar article for CAmagazine.



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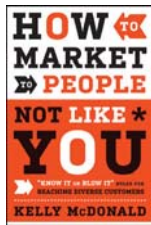
# 10 MUST- READS

Get cozy with books that will get your new year off to a successful start

By Jaclyn Law

Whether you want to supercharge your social media strategy or give your business an overhaul in 2012, we've got a book for you. The 10 picks featured here range from groundbreaking and fascinating to introspective and inspiring. They'll make great holiday gifts for the high rollers (and aspiring executives) on your shopping list and, of course, year-end treats for you.

Bob Hamby



**HOW TO MARKET TO PEOPLE NOT LIKE YOU**  
 Author: Kelly McDonald  
 Publisher: John Wiley & Sons  
 Penned by the president of McDonald Marketing, a top U.S. ad agency, this

book is a guide to understanding the needs and wants of diverse customers, including those outside your comfort zone.  
**Pearl of wisdom:** “[D]ump the demographics and, instead, market to people’s values.”



**CHANGE LEADER: LEARNING TO DO WHAT MATTERS MOST**  
 Author: Michael Fullan  
 Publisher: Jossey-Bass  
 Fullan, a professor emeritus at the University of Toronto

and an authority on organizational change, provides seven core leadership practices plus advice on understanding what motivates people.  
**Pearl of wisdom:** “Knowledgeable change leaders strive for small early successes, acknowledge real problems, admit mistakes, protect their people, and celebrate success along the way.”



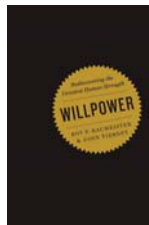
**USERS NOT CUSTOMERS**  
 Author: Aaron Shapiro  
 Publisher: Penguin Canada  
 Written by the CEO of digital marketing agency HUGE (clients include

Pepsico, JetBlue and Unilever), this book provides examples of how an online presence and excellent usability can bolster customer relationships.  
**Pearl of wisdom:** “Any company in any sector can benefit from providing its customers with user-friendly digital experiences.”



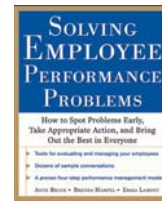
**PERSUASION**  
 Author: Arlene Dickinson  
 Publisher: Collins  
 Straight from the dragon’s mouth, this book is part rags-to-riches story and part marketing manual. Dickinson shows

how to cultivate relationships and get to “yes.”  
**Pearl of wisdom:** “Persuasion is not about smoke and mirrors. It’s all about authenticity and honesty, the building blocks of character. Sounds simple, right? Well, not exactly.”



**WILLPOWER: REDISCOVERING THE GREATEST HUMAN STRENGTH**  
 Authors: Ray F. Baumeister and John Tierney  
 Publisher: Penguin Press

Baumeister, a research psychologist, and Tierney, a *New York Times* science writer, explore the challenges and benefits of self-control and offer practical advice for mastering it.  
**Pearl of wisdom:** “Ultimately, self-control lets you relax because it removes stress and enables you to conserve willpower for the important challenges.”

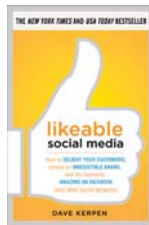


**SOLVING EMPLOYEE PERFORMANCE PROBLEMS**  
 Authors: Anne Bruce, Brenda Hampel and Erika Lamont  
 Publisher: McGraw-Hill

Use this book’s tools, sample conversations and four-step management model to tackle problems such as tardiness, cultural barriers and poor performance.  
**Pearl of wisdom:** “Drawing an invisible line that suggests a worker leave his or her personal life at the door when on the job ignores every aspect of humanness.”

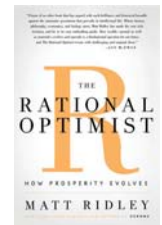
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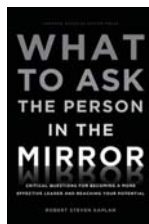
**LIKEABLE SOCIAL MEDIA**  
 Author: Dave Kerpen  
 Publisher: McGraw-Hill Professional  
 Make word-of-mouth marketing work for you with Kerpen’s advice

on engaging customers.  
**Pearl of wisdom:** “Listen carefully, be transparent, be responsive, be authentic, tell great stories — the qualities that would make you the hotshot at the party — and they’ll make your organization a likeable one on social networks.”



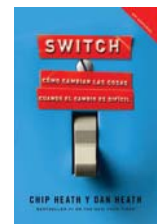
**THE RATIONAL OPTIMIST: HOW PROSPERITY EVOLVES**  
 Author: Matt Ridley  
 Publisher: HarperCollins  
 This book ambitiously explores how humans’

capacity to innovate, exchange and specialize has, over the course of history, improved global prosperity and well-being — and why we have every reason to believe this trend will continue.  
**Pearl of wisdom:** “Exchange is to cultural evolution as sex is to biological evolution.”



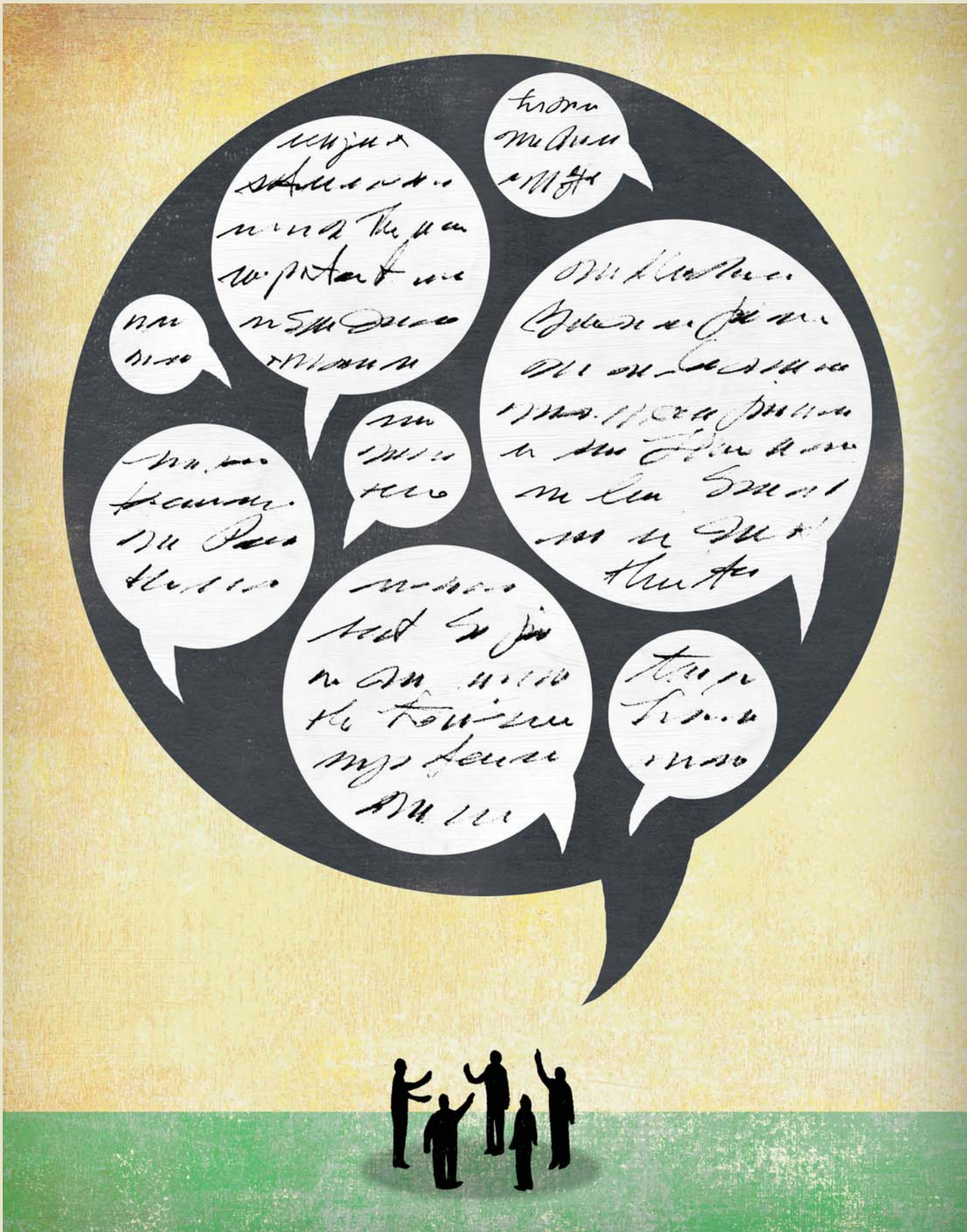
**WHAT TO ASK THE PERSON IN THE MIRROR**  
 Author: Robert Steven Kaplan  
 Publisher: Harvard Business Review Press  
 Kaplan, a business

adviser and professor of management practice at Harvard Business School, shows you how to ask the tough questions and become a better leader.  
**Pearl of wisdom:** “Asking the right questions, in ways that frame key issues cogently, is far more important than having all the answers.”



**SWITCH: HOW TO CHANGE THINGS WHEN CHANGE IS HARD**  
 Authors: Chip Heath and Dan Heath  
 Publisher: Random House Canada

This *New York Times* bestseller, from the authors of *Made to Stick*, shows how to unite your rational mind and your emotional mind for dramatic results.  
**Pearl of wisdom:** “When change works, it tends to follow a pattern. The people who change have clear direction, ample motivation, and a supportive environment.” ■





# BREAKING DOWN THE BARRIERS

For internationally educated professionals, communication is just as important as management accounting

By **Santoso Sugianto**, CMA, and **Dan Johns**

**An upswing in the number of internationally educated professional (IEP) candidates entering the CMA Strategic Leadership Program (SLP) reveals the difficulties many CMAs face in advancing to senior levels of management**

Canada is one of the most welcoming countries in the world. Our open immigration policy, procedures and processes make the Great White North a very attractive destination for professionals from around the world.

Unfortunately, many professionals find it difficult to progress in their careers after settling in Canada. Because of the current demand for finance and accounting

professionals, IEPs have little difficulty attaining starting-level positions where technical expertise is the primary requisite. But most IEPs encounter an invisible barrier to more senior-level positions.

Some have referred to this barrier as a glass ceiling; others have referred to it as a sticky floor. We simply call the barrier ineffective communication: the inability to get a message across successfully.

## **THREE COMMUNICATION BARRIERS**

We have observed three major contributing factors to the communication barrier: language, culture and personality.

As we describe these three factors in detail, we will show that elements such as country of origin and social values are key indicators of how much of a challenge the communication barrier will be. Understanding each of these factors will help IEPs analyze and identify potential weaknesses, address them appropriately and improve their career possibilities.

It's important to note that the factors here are only

## FACTOR 1: THE ENGLISH-LANGUAGE BARRIER

Lowest Low Moderate High

Country of origin	Commonwealth (e.g., Malaysia, India, Singapore, Hong Kong)	Parts of Southeast Asia (e.g., Philippines, Indonesia), most of Europe, most of South America	China, Russia, Middle East, Korea, Japan, South Asia, Thailand, Vietnam
Education	U.S., U.K. and Australian universities	English-language universities	Non-English-language universities
Work experience	Multinational companies (e.g., Coca Cola, GE, Shell, ABB, Alcatel-Lucent)	Regional companies (e.g., Singapore Telecom, San Miguel, Asia Pulp and Paper)	Local companies

## THREE COMMUNICATION BARRIERS

Lowest Low Moderate High

Language	English	Latin-based, non-English (e.g., French and Spanish)	Non-Latin-based (e.g., Arabic and Korean)
Culture	Western values		Eastern values
Personality	Extrovert		Introvert

Three major factors — language, culture and personality — contribute to the communication barrier. A top-of-class IEP may still need to build proficiency in one or more of these areas.

The question is not just whether IEPs know English, but also when, where and how they learned it. IEPs who come from countries that offer education and work opportunities in English, or where English is a national language, experience lower barriers of entry to the Canadian workplace.

general indicators. Use them as a guide but not as a definitive framework of assessment. Deviation from these norms, as in most things, certainly exists.

### ► *Factor 1: English language*

Having the ability to use English properly includes choosing appropriate grammar and vocabulary and having intelligible pronunciation.

When job hunting, every IEP should understand that the Canadian experience requirement is heavily related to the ability to speak English well. We have observed that the challenge of speaking English well is influenced by three factors: country of origin, education and work experience.

- **Country of origin.** People who come from Commonwealth countries, and have been raised with English or a dialect of English as a first or second language, have less difficulty in overcoming the language factor than people who were raised in some Southeast Asian and most European or South American countries. They also have much less difficulty than people who come from societies that don't have a history of strong relations with the West and don't share common linguistic roots.
- **Education.** IEPs who attended university in a country where English is the official language will have less difficulty with the English-language barrier than IEPs who went to an English-language university in a country that doesn't use English as the official language. Those who attended a non-English-language university may face the biggest challenges.
- **Work experience.** People who have worked in multinational companies have an advantage. They have likely had more exposure to using English in the workplace and are more likely to be called upon to use it in a professional setting than people who work for either regional companies or local companies.

### ► *Factor 2: Culture*

There are significant differences between the mindsets of people in the East (Asia, the Far East, the Middle East) and the West (Western Europe, the Americas).

The East and the West have five different value systems that heavily influence business management and stand in sharp contrast:

- In the West, **respect** has more to do with how people present themselves than with social hierarchy. IEPs who expect immediate respect because of their position will come across as arrogant.
- In the West, **open debates** are encouraged. Challenging ideas is expected and viewed as a healthy way to establish accountability and solve problems. People who don't engage in debate are seen as disengaged and failing to contribute.
- More so than in the East, **achievement** in the West belongs to the individual. People receive praise and rewards for individual effort. People who don't accept individual praise and defer to the group will not score well in most performance reviews.
- In the West, **success** is measured by meeting targets and achieving external goals. Westerners look outward for proof that the job is getting done. People who look inward and find success through personal development may not have their success recognized.
- For the most part, Western leaders are vocal in their guidance; they take a proactive approach to **leadership** and direct their team in a hands-on manner. Leaders who are quiet and guide their team in subtle ways will be viewed as unhelpful.

IEPs need not abandon their Eastern culture, but it is important that they fine-tune their approach to synchronize

FACTOR 2: THE CULTURAL BARRIER		
	Low	High
VALUE	WESTERN	EASTERN
Respect	Must be earned	Inherent in the hierarchy
Open debates	Encouraged	Avoided
Achievement	Individualistic	Collective
Success	Conquering your goal	Conquering yourself
Leadership	Vocal, walk in front of people	Silent, walk behind people

In the Canadian workplace, IEPs who embrace Western attitudes and behaviours face lower barriers to integration and professional advancement than IEPs who embrace Eastern attitudes and behaviours.

FACTOR 3: THE PERSONALITY BARRIER	
Low	High
EXTROVERT	INTROVERT
Talk more	Talk less
Verbal communication	Written communication
Enthusiastic	Calm and measured
Animated	Reserved

When doing business in Canada, an IEP's personality plays a huge role. Unlike introverts, extroverts generally face lower barriers to integration and professional advancement.

with their organization. Just as manner of dress for work differs from a relaxed manner of dress at home, so too must office attitudes and behaviours differ from those at home.

In his famous book *The 7 Habits of Highly Successful People*, Stephen Covey says that “you analyze others’ motives and behaviours based on your own experiences.” In practice, this means people in Canada will generally analyze an individual’s motives and behaviour based on their own Western values. To get good reviews and advance in their careers, IEPs need to fine-tune their management values to match their environment.

### ► Factor 3: Personality

While one culture might produce more of one personality type than another, several variations among people tend to appear within the same cultural group. The pairing most commonly referred to in the Western world is “introvert versus extrovert.” Four behaviours, derived from these two personality types, directly relate to an individual’s behaviour when communicating.

Extroverts tend to talk more, prefer verbal communication, come across as enthusiastic and are more animated than introverts. As such, they tend to experience less of a communication barrier because their nature gives them more practice time to build communication skills. Their increased practice leads to higher levels of proficiency.

Changing one’s personality seems like a huge undertaking, and the cost seems to exceed the benefits. But before rejecting the idea completely, consider how you might be perceived as an introvert because you are adhering to your own cultural norms.

As we’ve mentioned, culture can have a huge impact on how others perceive us. In many cultures, it’s far better to sit silently in a team meeting until called upon than to interrupt or interject with thoughts on the topic at hand. Challenging ideas, taking on tasks outside our current level of responsibility and socializing with colleagues during work hours may not be considered appropriate in many Eastern countries, but they are behaviours that lead to promotion in Canada.

### PLAN OF ACTION

Understanding communication barriers, systematically identifying the source of the barriers and tackling them appropriately will greatly increase confidence and the chances of significantly improving communication skills.

Unsuccessful IEPs will often inappropriately attribute their lack of career success to racism because, in their eyes, they are the perfect candidate. How can technical prowess, work experience, never talking in meetings and not taking on tasks that are above one’s station — things required in management roles back home — not lead to success in Canada?

While the communication barrier is actually caused by a lack of appropriate education by both IEPs and employers, IEP candidates only have control over their own understanding. Realizing that success in Canada hinges on the ability to not only express oneself clearly, but also express oneself appropriately and often, is vital.

Focusing only on technical skills, which would be enough in other countries, will not help an IEP get beyond entry-level positions here. Taking an active role in improving communication skills is key. ■

**Santoso Sugianto**, MBA, CMA, is an IEP who successfully managed his career transition in Canada through the Strategic Leadership Program as a CMA candidate. He is now working for Speedy Glass and moderating the two-year Strategic Leadership Program for CMA Ontario.

**Dan Johns**, HonBA, TESL, is the program manager at LEAP (Language Education for Accounting Professionals) Inc. and the author of CMA Ontario’s ESL Lecture Ready: Accelerated Program Primer. He is completing prerequisite courses to enter the CMA Accelerated Program in Ontario.

**Coming up in the January/February issue:**  
How to teach accounting to a diverse student population.

# FINDING MY WAY

## Annie Lam on her transition from Hong Kong to Toronto

### Annie Lam made the leap successfully – and now mentors others who hope to do the same

As told to **Sharon Aschaiek**

In 1996, as a 25-year-old recent business graduate with little work experience, I moved to Toronto from Hong Kong to pursue a career as a CMA. Finding work and building a life in Canada took patience and perseverance.

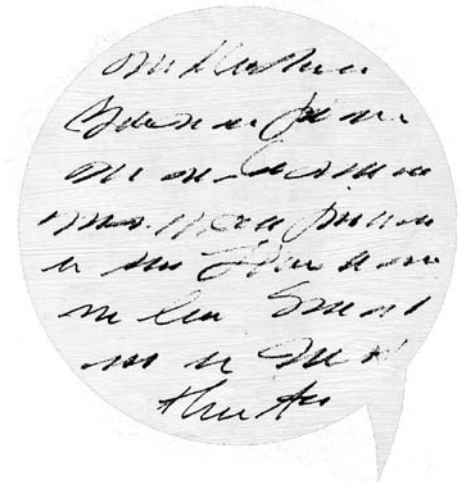
I always wanted to be a business person, just like my parents, who owned a supermarket. In the time before Hong Kong's return to Chinese rule in 1997, we didn't know how life might change, so my parents encouraged me to emigrate. I knew going into business would be the best way to get ahead in another country.

After completing my business degree at the Chinese University of Hong Kong in 1994, I started working as an accountant at Ernst & Young. At the same time, I worked to get my professional designation from the Association of Chartered Certified Accountants. A good friend who'd moved to Toronto told me the city was great. It had lots of space (Hong Kong is crowded) and strong social equality, so I decided to try it.

Before moving, I did some research and found there was a need for accountants in Toronto. I also discovered CMA Canada, which I realized could help me achieve the kind of career I wanted – an accounting leadership position. The association assessed my university and ACCA exam transcripts, and let me know which courses I needed to take to qualify to write the CMA entry test. I started doing courses part time while I looked for work.

When I first arrived, my biggest challenges, aside from not having a professional designation, were overcoming insufficient English skills and finding Canadian work experience. Lots of companies won't hire you if you don't have local work experience. To find a job, I sent out many resumés, networked and used CMA Canada's career services.

I also volunteered for the Red Cross, participated in local community events and joined the Toronto Mendelssohn Choir so I could improve my English and learn about Canadian culture.



### *Finding work and building a life in Canada took patience and perseverance.*

Three months after moving here, I got hired to work in financial management at Cable & Wireless HKT, the Canadian office of the Hong Kong division of a British telecom company. Once I got my CMA designation in 2001, I posted my resumé on the CMA website. Headhunters started contacting me about opportunities, and I got multiple accounting management jobs.

In 2006, I completed my EMBA at Queen's University. I'm currently director of project finance at Canada Health Infoway, where I'm helping to implement e-health in Canada. I'm excited to be part of an innovative initiative that will benefit society.

For the last two years, I've been mentoring IEPs in my field because I know how many obstacles they face in trying to fit in and find employment. I want to provide them with an easier way to achieve their dreams. ■

**Sharon Aschaiek** ([sharon@cocoamedia.ca](mailto:sharon@cocoamedia.ca)) is a Toronto-based freelance writer.

# THE 7 SUCCESS PRINCIPLES OF HIGHLY EFFECTIVE IEPS

## How to create career success in Canada

By **Mike Lipkin**

- ▶ **1. HAVE A VISION.** Understand your strengths and weaknesses. Strive to become a leader and know what kind of leader you want to become.
  - ▶ **2. SEIZE EVERY OPPORTUNITY TO LEARN AND GROW.** Develop yourself by embracing diversity in people, cultures, companies and industries.
  - ▶ **3. BE WELL ROUNDED.** Understand the story behind the numbers. Tune into the cultures of the communities, companies and customers you serve.
  - ▶ **4. BE A GREAT COMMUNICATOR.** Learn to tell great stories. Make others feel comfortable with you. Master English and the business language in your industry.
  - ▶ **5. BE A TEAM BUILDER.** Strive to make others on your team successful and support them. Form relationships by networking within your company and community.
  - ▶ **6. BE CREATIVE.** Be flexible and learn to change. Bring your global perspective to local challenges. Use your different perspective to enact change.
  - ▶ **7. BE A PROFESSIONAL ROLE MODEL.** Handle conflicts with discretion, diligence and good judgment. Be counted on to do the right thing and be a model of Canadian business ethics.
- .....
- These principles are based on results gained from focus groups with successful internationally educated professionals. **Mike Lipkin, Environics/Lipkin and CMA Ontario** conducted the research.*

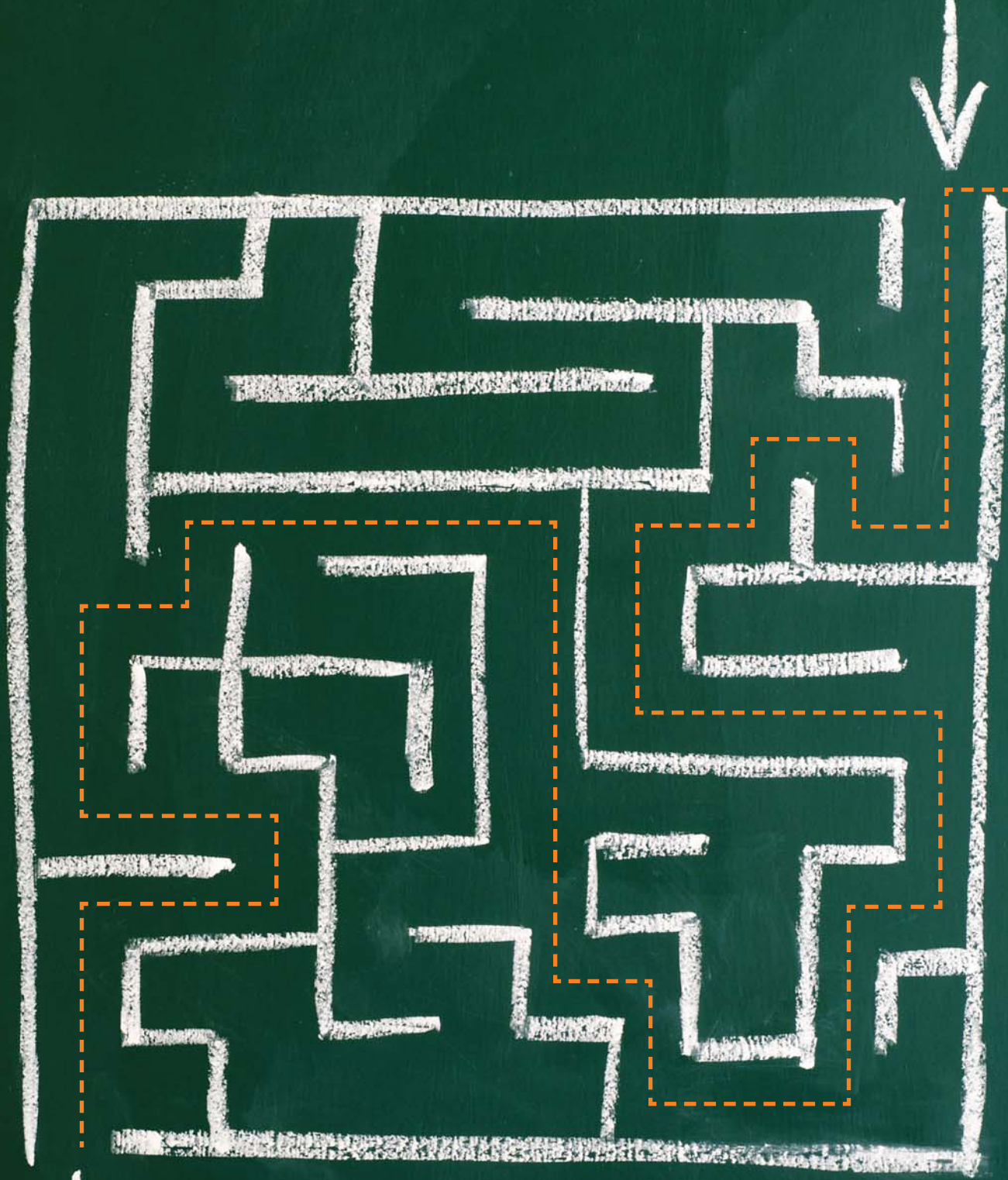
### IMMIGRATION STATISTICS AT A GLANCE

- ▶ Between **1999** and **2009**, the number of immigrants entering Canada with business management skills rose **383 per cent**.
- ▶ In **2010**, **280,636** permanent residents entered Canada: a **50-year** record high for immigration.
- ▶ In **2011**, immigration is expected to account for all net labour market growth.
- ▶ In **2011**, Canada has one of the highest per capita rates of permanent immigration in the world: approximately **0.8 per cent** of the total population.

### RECIPROCAL DESIGNATIONS

- ▶ Mutual Recognition Agreements (MRAs) allow for the reciprocal granting of professional designations with other accepted accounting bodies. CMA Canada has signed MRAs with the following international accounting bodies:
  - CPA Australia
  - the Chartered Institute of Public Finance and Accountancy (CIPFA) in the United Kingdom
  - the Chartered Institute of Management Accountants (CIMA) in the United Kingdom

For further information, see [www.cma-canada.org/MRA](http://www.cma-canada.org/MRA).



# Nimble strategy

Managing and rewarding  
strategic success

# FIVE STEPS TO DETERMINING A WINNING STRATEGY

By **Brett Knowles**

## ***No plan survives first contact with the enemy.***

— Field Marshal Helmuth von Moltke the Elder

Field Marshal Helmuth von Moltke the Elder, who served as chief of the Prussian General Staff from 1857 to 1888, understood the challenges of planning and leadership for large organizations.

He understood that planning was not a futile act, even though he knew that carefully prepared plans often collapsed and demanded revision when they were put into practice. So he argued for a process that allowed an organization to react quickly to changing events.

Moltke also understood that leaders determine strategy. But he also believed in delegating decisions to people as low as possible in the organization because they were closest to the enemy.

Modern business enterprises can learn from Moltke and adapt his principles. Business leaders should determine strategy: the *what* and *why* of what an organization should do. Employees — who are as close as possible to the customer or stakeholder — should decide *how* the strategy is executed.

## **Apples in Saskatchewan**

In an organization, strategic success occurs when business leaders clearly and closely align the *what* and *why* of the strategy and when they authorize the employees to determine the *how* of the strategy. But if the organization's leaders fail to properly assign these roles, then confusion can result.

A boss might say, for example, "Increase the sale of apples in Saskatchewan." The sales representatives in Saskatchewan might find that they can only sell broccoli until apples come into season in six months' time. What should they do?

The question arises because the boss is clear on the *how* (the apple sales effort) and the *what* (Saskatchewan) but not on the *why*. As a result, the sales representatives don't know which option to choose: sell broccoli now or wait to sell apples later.

The strategy is better, however, if the boss says "We need to increase our revenue from Saskatchewan, so let's start by selling more apples." The *why* (the need to increase revenue)

and the *what* (Saskatchewan) take precedence over the *how* (selling apples). The sales representatives can now choose the *how* that is aligned with the strategic intent: get the broccoli revenue now.

The following five steps elaborate this concept and build on my previous two articles in *CMA magazine*.\*

## **STEP 1: Build strategy maps to capture the *what* and *why* of your strategy**

A strategy map is a visual representation of an organization's strategy: a cause-and-effect diagram that shows how strategic objectives contribute to success.

Strategy maps capture and clearly communicate the *what* and *why* of the organization's strategy but do not commit to the *how*. The benefit of having a strategy map is that it can act as a filter to select the *how* for every significant management question.

In our example, the strategic objective — increasing revenue in Saskatchewan — prompts the organization's leaders to creatively propose and filter possible solutions. Then they can choose the best method *how*.

Strategy is everyone's job — and a continuous process.

## **STEP 2: Recognize and reward strategic gains**

Business leaders must also distinguish between strategic successes and scorecard measurements of performance.

Leaders often develop solid strategies that address the *what* and the *why*. Then they extrapolate to measure the *how* which they build into their scorecards. And then they forget all about the *what* and the *why*.

Let's imagine that sales of apples in Saskatchewan fall below target, but sales of broccoli exceed all expectations. The business gets more revenue than targeted from the sale of apples and broccoli combined. But because the scorecard measures only apple sales — the *how* but not the *what* or *why* — the business's leaders go into fire-fighting mode over this performance "disaster."

They don't see that they had a strategic success. By increasing revenue in Saskatchewan, they accomplished the *what* and *why* of their strategy. The fact that they achieved their goal by selling broccoli, not apples, does not invalidate the strategy's success.



## FROM STRATEGY TO SUCCESS

1. **Build strategy maps to capture the *what* and *why* of your strategy.**
2. **Recognize and reward strategic gains.**
3. **Analyze strategic performance.**
4. **Assign the *how* of strategy to people as low as possible in the organization.**
5. **Drive accountability.**

When reading performance scorecards, business leaders must bear the *what* and *why* of their strategic intent — not the *how* — in mind. They must recognize strategic success and reward it.

### **STEP 3: Analyze strategic performance**

When looking at the performance of any specific objective on the strategy map, business leaders need to ask two questions: What happened? and What could happen next?

To answer the first question, leaders must understand what caused the observed performance of the strategic objective.

To answer the second question, leaders should project current performance into the foreseeable future. Six months is a reasonable projection.

Think of a child with sinking school grades. What happened? The child failed to do homework. What could happen next? If the child continues to neglect homework, the child could fail the final exams, fail several courses and end up in summer school.

Answering these two questions — What happened? and What could happen next? — focuses the organization on the *what* and *why* of the strategy.

To address *how* the strategy is executed, people in the organization must ask a third question: What do we do? In answering the question, they recommend solutions to respond to the performance.

### **STEP 4: Assign the *how* of strategy to people as low as possible in the organization**

People in the lowest levels of the organization should address how the strategy is executed. They're the employees who are closest to the customers. Employees should answer the question What do we do?

Having employees make recommendations produces salutary effects.

- **It builds the agility of the organization.**
- **It encourages understanding at the grass roots and ownership of corrective actions.**
- **It enables the moment-to-moment fine-tuning that the organization needs from the people who are face to face with the customers and stakeholders.**

In Step 4, the employees — experts who understand the strategic objective — meet in a room. They use the strategy map and performance analysis to identify action ideas that can help the organization achieve the *what* and *why* of the strategy. Then, using the same tools, the employees filter the ideas to make a few viable recommendations.

The organization now knows how to achieve the strategy.

### **STEP 5: Drive accountability**

When designing a task-oriented job (e.g., working a drive-through window), an organization's leaders or managers can dictate the specific tasks to be accomplished. If the employee does the job well, he or she is rewarded.

But, higher in the organizational chart, people are typically responsible for the outcome, not the task. Executives who have different skills, resources and experiences could achieve the same outcome in different ways.

In superior organizations, individuals and teams should be accountable for the outcome (the *what* of the strategy), not just for the task (*how* the strategy is achieved). In addition, leaders need to manage the outcomes, not the task work.

When these conditions prevail, employees can focus on how the strategy is executed, leaders can focus on strategy, and organizations can succeed.

Field Marshal Helmuth von Moltke the Elder understood that strategy is a system of expedients. It is more than science: it is the translation of science into practical life and the development of an original leading thought in accordance with ever-changing circumstances. ■

.....  
**Brett Knowles** is a senior team member of pm2 — Performance Measurement and Management — and a co-founder of the first Balanced Scorecard application. He and his organization have completed more than 2,000 scorecard projects around the world. A webinar version of this article is available at [BalancedScorecard.net](http://BalancedScorecard.net). This article is the third in a series of three articles.

\* See "Closing the Gap: Going from Strategy to Performance in Five Steps" in the July/August issue and "Perfect Alignment: Zero in on Critical Fixes to Prioritize Performance Improvement" in the September/October issue.







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# Enthusiasm or addiction?

## When hard work crosses the line into workaholism

### The benefits of curbing compulsive work addictions go beyond the individual

By **Melissa Campeau**

#### **MOST MANAGERS HAVE WITNESSED**

the employee who shows up before dawn, routinely works through lunch, stays long past quitting time and regularly fires off email into the wee hours. But while occasional bouts of excessive industry might be impressive — and productive — the employee who compulsively works to the exclusion of other activities may be battling workaholism.

It's not hard to imagine the negative effects this compulsion could have on an employee's personal life, but workaholism can also damage an organization's morale, productivity and bottom line.

#### **What is a workaholic?**

The term "workaholic" was first coined in 1971 by American psychologist Wayne A. Oates. In his book *Confessions of a Workaholic*, he described the person as one "whose involvement in

work has become so excessive that it disturbs or interferes with his bodily health, personal happiness, interpersonal relations, and social functioning."

Since 1971, cultural attitudes about what constitutes an acceptable relationship with work have changed, and workaholism itself may be on the rise. A Statistics Canada study published in 2005 discovered that 31 per cent of Canadians aged 19 to 64 self-identify as workaholics.

Malissa Clark, a PhD student from Wayne State University in Michigan, was part of a team that recently published the results of a study on workaholism. She says that our mentality toward work in North America tends to "reward those who log excessive hours at the office."

Clark adds: "We assume people who are willing to toil into the wee hours of the night are simply more dedicated than employees who rarely miss their kids' bedtimes." It would be tough to find another addiction so accepted in our society.

#### **Identifying a workaholic**

What's the difference between someone who goes the extra mile at work when necessary and someone who exhibits compulsive and excessive work habits?

Clark's research pointed out that a worker's motivation is ultimately what distinguishes a hard worker from a workaholic. A workaholic's sense of self-worth is tied to what he or she



produces, she says, and not to a commitment, a cause or a team.

Workaholics Anonymous, which is modelled after the well-known 12-step program for other addictions, suggests that for the workaholic employee, work has become the primary means of gaining approval, finding identity and justifying his or her existence.

#### **Why it's a professional problem**

Even though they might initially appear to be model employees, workaholics typically share personality traits that make them ill-suited to teamwork, says Clark. These traits include narcissism, perfectionism and impatience. She adds that workaholics might also be

unwilling to delegate because they find it difficult to share the workload.

In the long term, says Clark, a workaholic's busyness can be misleading since a person working compulsively isn't necessarily working efficiently.

#### Why it's a personal problem

According to Workaholics Anonymous, workaholics tend to neglect their health, relationships, recreation and spirituality.

Even when workaholics are not working, they tend to think about the next task and deny themselves the opportunity to enjoy a balanced and varied life.

Not surprisingly, relationships can be especially difficult for workaholics. According to a 1999 study conducted by Bryan Robinson at the University of North Carolina in Charlotte, couples that have one workaholic partner divorce at twice the national average rate.

#### Finding help for workaholics

Managers who recognize the signs of workaholism in employees should encourage them to speak with a counsellor or therapist, or to contact Workaholics Anonymous. Curbing compulsive work addictions can benefit individual employees and can also help maintain a healthy, balanced and productive workplace culture. ■

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**Melissa Campeau** is a freelance writer in Toronto.



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## Mega-mogul and TV dragon Kevin O'Leary talks about what makes the financial world go around

By Gabrielle Bauer

**Q** ■ How long does it take for you to know whether a candidate on *Dragons' Den* [on CBC television] has a chance of getting some of your money?

**A:** It's just like the real world. A good idea can be articulated quickly, generally in 30 seconds or less. And there has to be a business plan attached to it. If a candidate rambles on without getting to the point, it's a non-starter.

**Q: Do you focus more on the person or the valuation?**

**A:** I focus on both, of course, but perhaps more on the person. My bottom-line question is, Can I see myself working with that person?

**Q: Once you shake hands on air, is there a good chance the business will go on to succeed?**

**A:** A very poor chance, in fact. I only close about a third of the deals I shake on because my lawyers and accountants often discover something amiss when reviewing the documentation. And of those deals that I end up closing, about one in 17 makes money. So it's a very risky way to invest.

**Q: Do you think the view of you as ruthless and hard-nosed is justified?**

**A:** Sure. When it comes to money, that's how I am. No apologies. Money doesn't have feelings. I'm not being mean, I'm simply telling the truth.

**Q: You just had a book published. What will readers get from it?**

**A:** *Cold Hard Truth* took me two years to write. It's about what mistakes entrepreneurs should avoid and also about my philosophy of life and investing. There's something in it for everyone: man, woman, young, old.

**Q: What has been your guiding philosophy at O'Leary Funds?**

**A:** My mother worked in a sewing line. She got paid on Thursday mornings, took a third of her paycheque and invested it in stocks with yield. My fund follows her philosophy about yield. We are conservative and value conscious.

**Q: Do you think it's possible to time the market?**

**A:** No, not possible. The best way to proceed is to decide how much risk you're willing to take, make conservative investments, then buy and hold. Over the past decade, you would have nothing to show for your investments if not for yield.

**Q: What are your thoughts on the debate surrounding the merger of CMAs and CAs?**

**A:** I think the groups have to work things out to the benefit of both. I don't want to pick sides at this point. The planned CPA [Chartered Professional Accountant] designation makes sense to me. The challenge will be to effectively communicate the change, and the reason for it, to the public.

**Q: What attributes are most useful to a CMA?**

**A:** People skills. Understanding the technical side is important, but without the ability to interact with people you're practically worthless.

**Q: What should the government and private sector do to turn around the Canadian economy?**

**A:** I would like to see corporate taxes reduced to zero and government spending reduced by 20 per cent across the board. People would be wealthier and the gross domestic product would grow faster.

**Q: How would you define the entrepreneurial spirit?**

**A:** Unrelenting pursuit. A willingness to sacrifice everything to get to your goal. There's no life balance when you're an entrepreneur. ■

.....  
**Kevin O'Leary** is a Canadian entrepreneur, venture capitalist and television personality. He serves as chairman and lead investor of O'Leary Funds which he founded in 2008. His book *Cold Hard Truth: On Business, Money and Life* (Doubleday Random House) was released this fall.

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# Cool device or game changer?

## It's still unclear how tablet PCs will affect business

More knowledge workers are using tablets, but CMAs are divided on the impact

By **Jacob Stoller**

**WHAT DO YOU GET WHEN YOU CROSS** a notebook PC with a smartphone?

Most people would probably say a tablet, the device that burst onto the scene 18 months ago when Apple introduced the iPad.

A tablet combines the accessibility of a smartphone with the screen size of a small laptop; it has a versatility that users, according to growth statistics, find irresistible.

The question is, will the trend continue? Will the tablet carve out its own niche or one day eclipse the laptop as the mobile workhorse of choice?

Experts have been asking these same questions, and there seems to be little agreement. According to a recent *CMA magazine* poll, 45 per cent of respondents believe the tablet will transform the CMA experience, while 55 per cent disagree.

### Tablet appeal

Part of the instant appeal of tablets is that for many users, there is no learning curve.

"There aren't massive differences between smartphones and tablets with the exception of the size of the screen," says Jeff Wilts, director, Enterprise Data Warehousing at Loblaw Companies, and an instructor in the Strategic Analytics program at CMA Ontario. "The functionality, capabilities, access and corporate issues are the same for both."

The tablet was reportedly conceived as a consumption device: a mobile unit that can be used to comfortably read

full-length documents (including books), listen to podcasts and watch videos.

Comfortable access to documents, however, effectively opens the door to uses previously reserved for the notebook PC, at whose expense tablet adoption is surging.

"The extra screen real estate makes a huge difference," says Mark Tauschek, lead analyst at Info-Tech Research Group in London, Ont. "BlackBerries have had the ability to open and edit Microsoft documents for some time, but if you've ever tried doing it on a BlackBerry, it's ridiculous. It's just unusable."

That said, the tablet is still a far cry from the notebook PC, particularly for CMAs who crunch numbers for a living.

"If you're talking about cranking out spreadsheets and stuff like that, that's not what it's good for," says Mark Morpurgo, a CMA and instructor at Northern Alberta Institute of Technology. "The touchscreen limits the ability to efficiently deal with data."

### User, who art thou?

Tauschek divides tablet users into two categories. The first includes users whose organizations issue tablets to their employees or students for specific purposes. In health care, for example, tablets give doctors and nurses easy access to patient bedside charts and records, doctors' notes and other information sources.

CMA Ontario pioneered the use of the iPad in the CMA Executive Professional





Program, and participants in the Prairie Region receive an iPad preloaded with course and background materials, including 50 hours of video. Participants — typically frequent travellers — may catch up on their preparation in airplanes, hotel rooms and taxicabs.

But most CMAs typically belong to a second user category comprised of knowledge workers who choose the device because they feel it will make them more productive. Tauschek calls these people “individual liability” users because they tend to supply their own devices.

According to Tauschek, the rapid growth of this second category has taken industry analysts by surprise. The spontaneous nature of adoption by this group could also explain the *CMA magazine* poll results. “When you get a 50-50 split on something like that,” says Tauschek, “I say that’s a pretty good indication that the 50 per cent who said yes are the ones who believe it can make them more productive.”

**What you do counts**

Morpurgo suspects that the diversity of CMA job functions also explains the split. The duties of an analyst might require the full functionality of a notebook PC, while the analyst’s manager, whose daily tasks primarily involve communication, might be able to get by much of the time with a tablet.

“I don’t think a lot of CMAs are going to switch from doing analysis on a

**Part of the instant appeal of tablets is that for many users, there is no learning curve. “Can you live without them? Sure, but I find that I almost can’t live without mine.”**

– **Mark Morpurgo**, a CMA and instructor at Northern Alberta Institute of Technology

notebook to doing analysis on a tablet,” says Wilts. “But a number of them are probably going to be using the tablet for reviewing, signing off and providing some commentary.”

The tablet also allows managers to keep any eye on daily numbers. “It’s not a static view,” says Wilts. “It allows you to interact with the data on a very portable device on your schedule.”

Wilts believes usage will increase among CMAs as new applications become available. Tablet users could work with advanced business intelligence modules linked to corporate systems.

“If the reports are written to support mobility through one of the corporate reporting tools,” says Wilts, “there’s no reason why you can’t access and use tablets on the front end to access your ERP (Enterprise Resource Planning) systems on the back end. We’re currently investigating that, and we’ve seen some demos where other companies are doing that really, really well.”

Some organizations are already seeing the tablet as a replacement for the notebook PC. Tauschek recently

spoke with representatives of two large corporations that plan to give new employees a choice between a notebook or a desktop computer with an iPad.

“Basically what they’re saying is that when those users are mobile, the iPad is enough,” says Tauschek. He notes that a little over a year ago, he hadn’t anticipated that tablets would have this kind of role. “We’ll all be a little bit surprised at how this continues to evolve over the next year or two, when more applications become available for those devices.”

For most CMAs, the decision to use tablets in the workplace is an individual one; it is driven by a desire to make busy days go a little more smoothly.

“I think it makes access to consuming multiple forms of media a lot easier because you can consolidate it in one spot,” says Morpurgo. “Can you live without them? Sure, but I find that I almost can’t live without mine.” ■

**Jacob Stoller** is a Toronto-based writer and researcher who frequently uses a tablet, but he wrote this article on a desktop computer.

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# The sounds of success

## Barbara Hubley, CMA, combines math and music

By **Angela Pirisi**

### WHILE BARBARA HUBLEY HASN'T BEEN ASKED

to audition for Symphony Nova Scotia, she's flattered to work in its financial department. Hubley joined the company in 2008 on contract and later got a permanent position.

"This job pulls together a lot for me," she says. That includes previous work in the non-profit sector and a love of music.

An amateur musician, Hubley plays the baritone horn in the Salvation Army band. In her job, where Hubley is responsible for everything from accounting to forecasting to preparing the payroll, she's happy "playing the calculator."

As the largest employer in Nova Scotia's cultural community, the symphony comprises 10 administrative staff, 37 musicians and 150 contract workers who help with stage productions. Making payroll is complicated.

Hubley, who previously worked in various sectors — including construction and property management — attributes her broad experience to her CMA designation. "It has given me exposure to a variety of things, such as HR and marketing, that make for a well-rounded manager."

One way Symphony Nova Scotia differs from previous employers is its tight focus on budget (about \$3.7 million). In addition, performing arts is a tricky business. Planning is based on history, so predicting ticket sales or sponsorship is difficult.

Hubley finds attending concerts the most rewarding part. That's where everything — the musicians, sponsors, patrons, donors — comes together. "It's like being on the front line," Hubley says. "You get to connect with the stakeholders and experience the music. It's a reminder of what it's all about." ■

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**Angela Pirisi** is a Hamilton-based freelance writer.

**Employer:** Symphony Nova Scotia  
**Role:** Director of Finance  
**Most valuable piece of advice:** "Don't just think about balancing the books. Find the right balance between your work and life."  
**Website:** [www.symphonymnovascotia.ca](http://www.symphonymnovascotia.ca)



Photograph: Paul Darrow



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