

CMA magazine

THE VOICE OF MANAGEMENT ACCOUNTING
WWW.CMAMAGAZINE.CA



NOVEMBER/DECEMBER 2013

The 93-year CMA timeline
Your future work routine
10 timeless business books
Report from 2063

the
FINAL
issue

BACK TO THE FUTURE

A special collector's issue of
nearly a century of stories,
images and memories



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VOLUME 87 NUMBER 6

NOVEMBER/DECEMBER 2013

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

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It's a wrap! This is the final issue of *CMA magazine*.

The moment is bittersweet. It's hard to say goodbye, so we decided to go out in style with a special collector's issue.

The past eight months saw a flurry of activity as we pieced together 93 years of CMA history. We spent hours flipping through old magazines; we oohed and aahed at both the gravity and humour amid the pages.

As we thought about the future of management accounting, we decided to make courageous predictions. Why not? In 50 years, no one will call us out if we turn out to be wrong. (That fun is all ours!)

This issue's first meetings with our intrepid designers at **Hambly & Woolley** took place in early spring. Writer **Jaclyn Law** started building our timeline one event at a time (pp. 15 – 30).

We plotted how best to embed old covers and salient quotations. We reached out to you for member memories.

Jaclyn dove further, crafting short pieces on notable individuals, the evolution of the Society, the role of education and the rise of the computer.

For illustrations we turned to **Katy Lemay**. Her art, which is built on old photos, is a perfect fit. In fact, every illustration in this final issue has at its core imagery from *CMA magazine's* archives.

Now the final issue is in your hands. Thanks go to past president **John Craig** who released this publication's forerunner (without board approval, I might add) in 1926. Thanks go to all the readers, writers, editors and translators who contributed to this award-winning publication over the decades, and especially to **Kim Pittaway** and **Franklin Carter** during my tenure.

While preparing this final issue, I've also been on the team that's developing a new magazine for the merged profession. *CPA Magazine* will launch in January 2014.

I'm also going to head up a new, dynamic newsletter for CPA Canada. Watch for that in your email inbox later in the new year.

As always, I look forward to reading your thoughts. What would you like to see in the newsletter? Feel free to drop me a line.

Cheers, and enjoy this final read!

Mara Gulens

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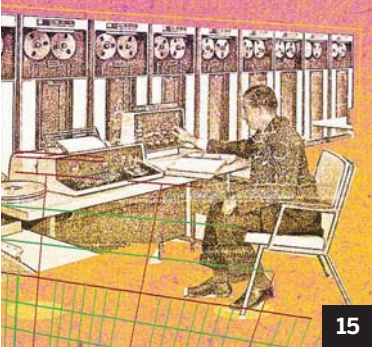
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Ad in *Cost and Management*, 1954. No computers, no colour, but a day for celebration! If only it were so easy.

Not goodbye, just see you later

With this final issue of *CMA magazine* we end one journey and begin another. Thanks for being such good company.

Thank you so much ... Until I read your editorial [in the September/October issue of *CMA magazine*], I didn't realize that I had the honour of being a part of the penultimate publication of the magazine that we have learned to love over the years. It's the end of an era and the beginning of another.

— Marshall Pyatt, CMA



This black-and-white photograph of a formal dinner was shot during the Society's annual meeting in 1942. Since then tuxedos have given way to more casual wear, and women now make up a significant part of the Society's membership.

Trips down memory lane
 We asked for your memories and we received many!
 Some are published below; others appear in our timeline on pages 15 – 30.

Around 1980, I was stuck in my job and decided an accounting designation might help. I went to Vancouver and planned to visit the three accounting organizations: CMA, CGA and CA. My first visit was to CMA, where Shirley Baker did a great job of telling me what I wanted to know (and what a CMA wanted me to know). I never went to the other two. I support the unification of the accounting organizations, but CMA was all I needed.

— Peter Herz, FCMA

Enrolling in the CMA program gave me hope and helped me secure a professional job. The CMA designation gave me pride and confidence in my professional life.

— Rajkumar Haldar, CMA

Having been involved for over 25 years as president of the Montreal Chapter as well as chair of CMA Quebec and CMA Canada, I have quite a few memories. There may even be some that I can repeat in public.

— John W Babiak, FCPA, FCMA

I have been an RIA and a CMA. I'm now looking forward to being a CPA. It has been a progressive career path in management accounting and I'm proud I was part of the transition over the years.

— Nick Parzei, CMA

Honourable mention

When I'm not acting as the president of AIC, *CMA magazine* thinks I'm a rebel. Check out the online copy of the July/August 2013 issue. That's me on the upper left-hand side of the cover. Seriously, I was interviewed about the joys of self-employment.

— Lawrence Fox, CMA
 Association of Independent Consultants newsletter (September 2013)

The more things change

We asked what has remained unchanged since you started working as a CMA. You said:

- a) the tools I need to get the job done
- b) my vision of how I spend my days
- c) the words of advice that got me here in the first place



And in your words:

- “Excel remains a primary tool, although current and upcoming technology might change that.”
- “When my boss encouraged me to start taking courses toward the CMA designation, I got the best advice ever for my career.”



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News and numbers



WOMEN AT WORK

New toolkits help women succeed in their careers

Two new CPA Canada toolkits provide advice for new female grads and best practices for advancing women in your organization.

Career Navigation: Toolkit for Women identifies seven key success factors for career advancement and includes a series of exercises.

Female Talent Management: Toolkit for Organizations explains how to

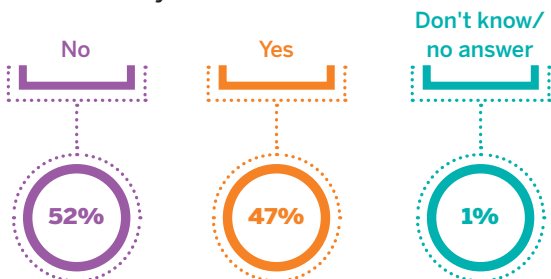
- build a best practice business case for a development program
- assess your organization's current practices
- identify strategies for change
- create a plan

Both toolkits are available from www.cica.ca/womensleadership.

HR MATTERS

Senior managers take one for the team

I've taken the blame at work for something that wasn't my fault



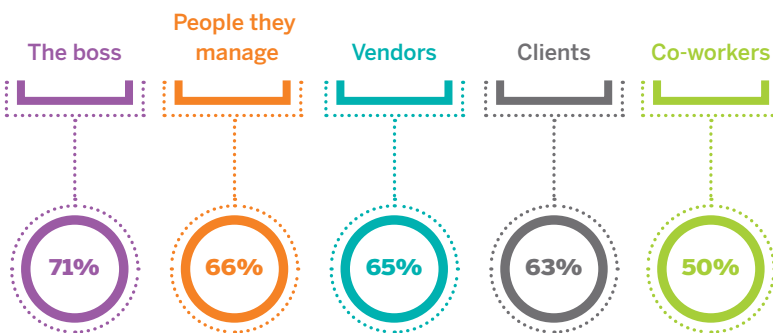
Source: OfficeTeam survey of 170 senior managers at Canadian companies, September 2013.

VIEW FROM THE C-SUITE

Don't friend me on Facebook



Senior managers feel uncomfortable being friended by the following people



Source: OfficeTeam survey of 342 senior managers at Canadian companies, August 2013.



TECH TALK

IFRS launches new web app

Now you can access International Financial Reporting Standards (IFRS) Foundation info on the go. The new, free eIFRS app provides up-to-date news on IFRS projects, meetings and more. Premium subscriber-only content, including the full suite of the standards, can also be purchased.

As of September, the app was available only for iPhone and iPad. Support for Android devices should be available shortly. Visit www.go.ifrs.org/app to download the free version or subscribe.

THINK GLOBAL

Canada lags behind in innovation, patents

It's time to up our innovation game.

For the second year in a row, Canada ranked 14th in the World Economic Forum's *Global Competitiveness Report*. Switzerland took first place while the United States took the fifth spot. Canada ranked ninth in 2009. Download the full report from <http://bit.ly/17CBUGY>.

And while we moved up one spot in another measure of innovation — the Global Innovation Index — we're still out of the top ten. The index, a joint project of Cornell University, the World Intellectual Property Organization and French business school INSEAD, looks at 84 indicators of innovation, including the quality of top universities, venture capital deals, the filing of international patents and the availability of microfinance. Canada was in 12th place in 2012 and 11th in 2013.

Check out the details at www.globalinnovationindex.org.

WATERCOOLER WISDOM

Is there life after work?

Almost one in five Canadian workers (17 per cent) expect they'll never retire.

The finding was published in September in *The Future of Retirement: Life after Work?*, HSBC's ninth report of the Future of Retirement program. Of the 15 countries surveyed, Canada had one of the highest percentages of workers who thought they'd continue working into retirement. Canada was behind the United Kingdom (19 per cent) and the United States (18 per cent). View the report at www.hsbc.com/retirement.

Financial insecurity could be a factor in these results. Nearly one in four investors (24 per cent) surveyed by BlackRock Asset Management Canada don't have an RRSP, and close to one in five (18 per cent) say they don't save anything monthly for retirement. The survey of more than 1,700 people was published in July 2013.

Retirement issues are top of mind for policy makers as well. Discussions and recommendations from the February 2013 National Summit on Pension Reform were published in August. Among the key findings: workers and employers need improved options to help close the private sector savings gap. The final report is available at www.pforum.ca/pension_reform.

CONSUMER TRENDS

Corporate incentives and rewards programs on the rise

My company uses incentives to motivate and reward employees, customers and channel partners



My company uses incentives for referrals to get new customers and employees



Source: 2013 Canadian Incentive Trends Survey, Berkeley Payment Solutions, May 2013. Visit www.berkeleypayment.com/2013-incentive-trends-survey to see the full results.



SUSTAINABILITY

SMPs seeing green

Almost three-quarters (73 per cent) of the nearly 4,000 small and medium-sized practices (SMPs) surveyed in the July 2013 IFAC SMP Quick Poll currently provide or have plans to provide sustainability services to their clients. Larger practices and practices in Asia and Africa/Middle East were more likely to offer sustainability services.

"SMPs can help their clients in many ways," says SMP Committee Chair Giancarlo Attolini. As examples, he cited advising on the costs and benefits of behavioural changes aimed at reducing waste, appraising potential investments in alternative sources of energy, and assisting with the implementation of environmental management systems. "This is a large and growing area of demand that SMPs need to be prepared to meet."

Read the full report at <http://bit.ly/14dAupy>.

ACCOUNTING WORLDWIDE

The name game

The International Accounting Education Standards Board (IAESB) is taking a hard look at the revised definition of a professional accountant.

In June 2013, discussions about the definition focused on professional competence, the public interest and compliance with a code of ethics. Consultation continued in September, and a revised draft was to be discussed at the board in October.

The definition is being revised so the IAESB can better identify the audience for the international education standards and provide a central reference for national jurisdictions when applying the standards.



PROFESSIONAL RESOURCES

From AAA to ZBA

"Acronym" isn't a four-letter word, but if irritating short forms sometimes make you say a few, now there's a better cure than a bar of soap.

The International Dictionary of Accounting Acronyms contains close to 2,000 entries, from AAA (accumulated adjustment account) to ZBA (zero bracket amount). Billed as a valuable resource for busy professionals involved in the accounting and financial fields, the book is available in North America from Stylus Publishing at <http://bit.ly/18L0I4T>.

CMA NEWSMAKERS

Learning from the voice of experience

Sylvie Deslauriers has a few tricks up her sleeve, and she’s sharing them in her newly published book, *Easy \$ucce\$\$*.

Deslauriers — a professor of accounting at the University of Quebec at Trois-Rivières who has more than 10 accounting degrees and professional titles, including FCMA — is no stranger to the exam cram. In fact, her rationale for writing the book was to share her tips for more efficient, value-added studying.

Deslauriers says the book is particularly worthwhile for students beginning their accounting studies. “My objective in writing it was to help them succeed.”

Purchase the paperback from www.amazon.ca; paperbacks and ebooks are available at www.abpluspublications.com.

BOOK REVIEW

Wiser decisions

Good decision making has a poor track record: 60 per cent of executives report seeing as many bad decisions as good ones. Chip and Dan Heath present an improved process for making decisions in *Decisive: How to Make Better Choices in Life and Work*. They point out the most common flaws:

- **Narrow framing:** examining few options and having limited information.
- **Confirmation bias:** only looking for information that supports one’s beliefs.
- **Short-term emotion:** making a decision based on immediate feelings.
- **Overconfidence:** giving one’s personal beliefs too much weight.

Decisive also presents the Heath brothers’ WRAP process for making improved decisions.

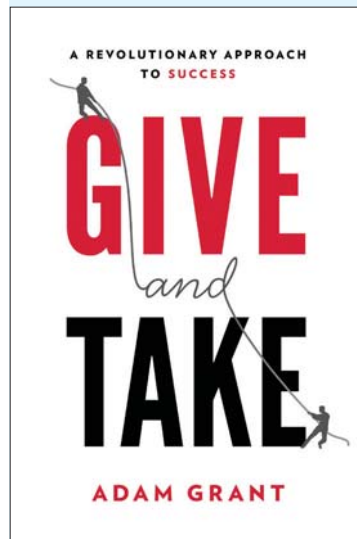
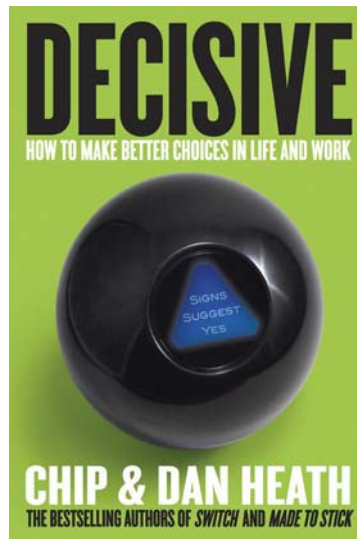
1. Widen your options to get beyond two-option, whether-or-not decisions that fail half the time.
2. Reality test assumptions by having trial periods of chosen options.
3. Attain distance from decisions by maintaining core priorities and imagining one’s feelings in 10 minutes, 10 months, and 10 years.
4. Prepare to be wrong by noting the worst possible outcome of each option.

The Heaths expand the concept of using many options in decision making and suggest multi-tasking in daily life by simultaneously pursuing many alternatives.

Authors: **Chip Heath** and **Dan Heath**

Publisher: **Random House**

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



BOOK REVIEW

Are you a giver?

Both the most and the least successful individuals are givers who help other people with no guarantee of receiving anything in return, argues Adam Grant in *Give and Take: A Revolutionary Approach to Success*. Grant divides the world into givers, takers, and matchers.

- **Givers share with others. They look for success in achievements that positively affect other people.**
- **Takers focus on their own needs. They seek outcomes that show them as superior to others.**
- **Matchers use a tit-for-tat approach. They aim for results that balance their achievements with fairness to others.**

The most successful givers become chief executives by using “perspective taking” in their relationships with others rather than traditional empathy. Empathy focuses on the emotions and feelings of each counterpart; perspective taking focuses on the other person’s thoughts and interests. Perspective taking seeks to find deals that satisfy others’ needs without drawing down on one’s personal resources. Win-win situations are a common outcome.

The book’s author sees himself as a reformed taker who is now a giver and is highly rated by his students at the Wharton School in Pennsylvania. Grant recommends starting all relationships as a giver since this approach builds trust, and changing to a matching style only after one determines that one’s counterpart is a taker.

Author: **Adam Grant**

Publisher: **Viking**

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



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To receive a free copy of The Conference Board Review, ideas and opinions for the world's business leaders, email marshall@conferenceboard.ca. Quote promo code **CMA**.

UNIFICATION

P is for Professional

When the Toronto International Film Festival rolled out the red carpet, the CPA profession also launched its national multimedia advertising campaign.

CPA: The Movie raises awareness about the new CPA designation in a smart and bold way. The ads — which are built on the theme of “The P is for Professional” — create strong, positive impressions about the value that CPAs provide to all types of organizations.



Aimed at the business community, the ads are displayed in newspapers, television, airport billboards and online.

To view the launch event, or to see a preview of the campaign, go to <http://cpapro.ca/see-the-campaign/>.

On launch day, no one — not even CPA Canada President and CEO Kevin Dancy — escaped the paparazzi.

School's on

More than 800 CPA candidates in Western Canada were the first to enter the CPA Professional Education Program (CPA PEP) this past September. The program will roll out across the rest of the country in 2014.

The CPA PEP is a two-year part-time graduate-level program built on the new CPA Competency Map. Made up of a series of modules, the CPA PEP enhances CPA candidates' ability to apply professional skills, values, ethics and attitudes in several business contexts.

See <http://cpapro.ca/become-a-cpa/> to get more information.

All together now

In mid-September, CPA Canada and CGA-Canada announced that the Integration Agreement (IA) — which details the proposed integration of the two national accounting bodies — had been approved by both organizations' boards of directors. The IA also got the nod from CGA-Canada's Affiliation Council, which is made

up of voting delegates from all CGA-Canada provinces, territories and international affiliates.

On October 8, CGA-Canada announced that 77 per cent of voting members voted to support integration with CPA Canada.

Three in one

In late September, British Columbia's three legacy accounting bodies announced that their boards had approved a joint venture and transition plan. Implementation began on October 1.

Five hundred B.C. candidates are already taking the new CPA Professional Education Program (CPA PEP). New bylaws will regulate B.C. members' use of the CPA designation — specifically how it may be used with legacy designations before the passage of CPA legislation — which B.C. bodies expect will be introduced in 2014. At that point, all B.C. members will become members of CPABC and be issued CPA certificates.

A new page

This last issue of *CMA magazine* signals both an end and a beginning. After 87 years of publishing, CMA Canada's member magazine is being retired. A new magazine for the unified Canadian accounting profession will launch in January 2014. Watch for *CPA Magazine* in the new year.



CPA Canada's Executive Vice-President Joy Thomas and President and CEO Kevin Dancy model the new CPA jerseys. Look for “The P is for Professional” multimedia advertising campaign online, in airports, in newspapers and on TV.

Cross-country news
 Read news and information about CPA Canada at www.cpacanada.ca/blog/category/news/.



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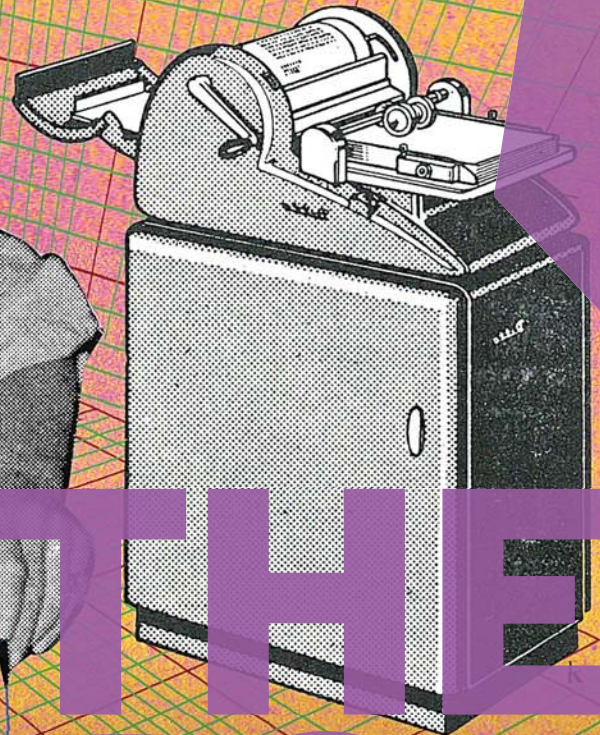
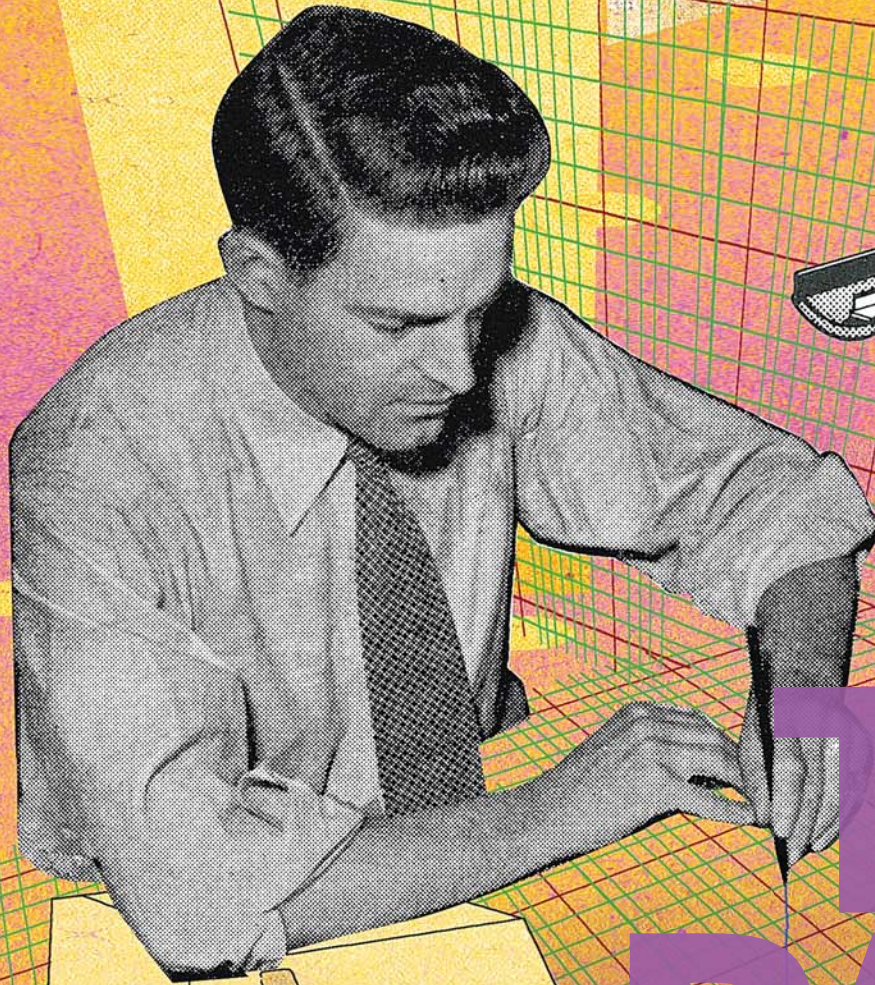
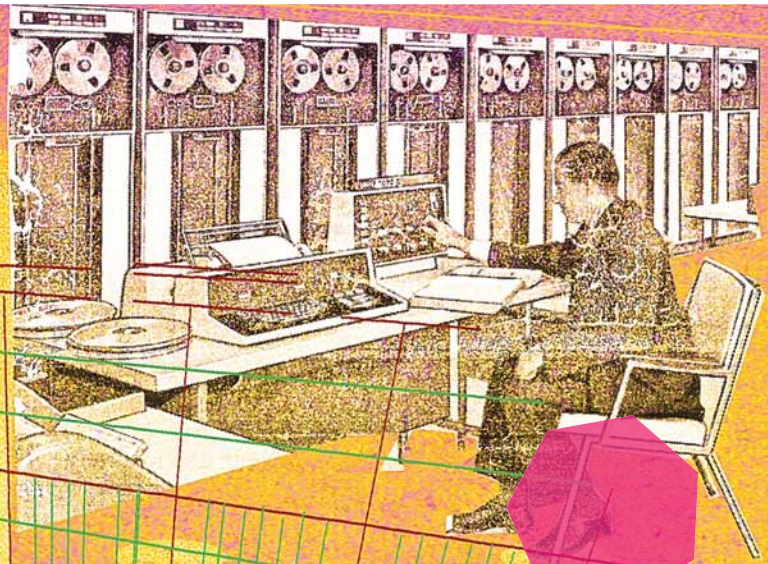
You're hardly alone. In a recent Sage Accountants Network survey, 31 percent said time management was their biggest challenge, and 30 percent said acquiring new clients was theirs.

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THE PAST

Many people have contributed to the Society's work and achievements over the decades, and to the field of management accounting. Here are just a few of their stories.

By **Jaclyn Law** with research assistance from **Tara Boghosian**
Original illustrations by **Katy Lemay**



BACK AND FORTH

Musty, old magazines, black-and-white photos, member memories. Exhaustive Internet searches, hundreds of email, and correspondence with people as far away as Asia.

CMA Canada's 93-year-old archive is rich with history.

We've taken this opportunity to dive into this treasure trove to create an issue that displays and celebrates nearly a century of management accounting. Read on to glimpse into the past. Then, in the true spirit of management accounting, check out our take on the future.

1920 — 1929

1920 Founding of the **Canadian Society of Cost Accountants** (CMA Canada's original name). Cost of membership: \$5.

1921 Banting and Best discover insulin in Toronto.

1922 Society affiliates with the National Association of Cost Accountants, a larger American organization. **Membership fee rises to \$20.** (The partnership ends four years later, over a financial dispute.)



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Ad in *Cost and Management*, 1949.

IN THE BEGINNING

THE CANADIAN SOCIETY OF COST ACCOUNTANTS

("the Society"), as CMA Canada was first known, was born in 1920. Canada had other accounting bodies, but none that served cost accountants. Inspired by the launch of the National Association of Cost Accountants in the United States, a small group got the ball rolling in Canada and enjoyed the unofficial blessing of the Dominion Association of Chartered Accountants.

THE EIGHT INCORPORATORS were G.W. Dickson (Halifax), R.A. MacIntyre (Saint John), James Hutchison (Montreal), R.J. Dilworth (Toronto), F.C. Gilbert (Winnipeg), G.C. Rooke (Regina), James Sutherland (Calgary) and G.E. Winter (Vancouver).

1923

Society establishes its first chapter, located in Toronto. The Montreal Chapter is established the following year.

Invention of **Ditto machine**, an early version of the photocopier.

1924

First Olympic Winter Games held in Chamonix, France.

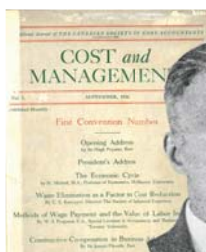
1927

Society starts to establish an educational program for management accountants. It appoints its first paid officer, **W.A. McKague** (secretary and editor). His office at 81 Victoria Street in Toronto becomes the Society's first headquarters.



1928

Discovery of penicillin.



VINTAGE READING

COST AND MANAGEMENT, the first version of the magazine you're holding, launched in 1926. John Craig, then Society president, had grand plans. He released the first issue (56 pages, with eight pages of ads) before the board even approved it. The quality of the journal was widely acclaimed; unfortunately, budget constraints reduced it to a bulletin a few months later. Craig was also the driving force behind the Society's first national conference, a "distinguished affair" held in September 1926 at the University of Toronto's Hart House.



Visionary

George Edwards served as the Society's first president, from 1920 to 1924. By the time he retired, the organization had over 240 members.



THE INCREASING NUMBER OF WOMEN entering the business world is reflected in the Ontario Society's graduating class this year. Being congratulated by Senator Donald Cameron, above, are the first women who achieved their B.A. certificate, the largest number ever, to graduate at one time: Miss Ruth E. Gault, Toronto; Miss M. Ellen Stewart, Ottawa; Senator Cameron; Miss Linda Siskack and Miss Bertha A. Siskack, Port Arthur; Miss Alice Shaw, Toronto.

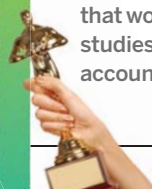
HIGHER LEARNING 101

THE SOCIETY'S EDUCATION PROGRAM is almost as old as the organization itself. In 1927, it began holding examinations in Cost Accounting and Factory Organization; successful candidates earned a Certificate of Efficiency. Then the Society and Montreal's McGill University co-sponsored a three-year program of evening lectures and a final exam.

IN THE LATE 1930s, the Society sought designation-granting powers for cost accounting and industrial management in Ontario and Quebec, though many people objected to "professionalizing" the organization. They worried that the emphasis would shift from cost accounting and management to exam preparation.

IN 1941, the Ontario government approved the incorporation of the Ontario Chapter and the designation of Registered Industrial and Cost Accountant (RIA). The Quebec Chapter incorporated as the Cost and Management Institute and began granting the Licentiate of the Cost and Management Institute (LCMI). Public interest in the Society increased.

IN 1943, the Society added correspondence courses. Ten years later, it established an educational foundation to fund course development. CMA Canada's Research Foundation has carried on that work, publishing new studies about management accounting.



1929 The first Academy Awards.

On Oct. 29, **the stock market crashes**. Black Tuesday signals the end of the booming '20s and the beginning of the Great Depression.

1930 1939

1930 Society begins regional meetings.



Transformer

Richard (Dick) Dawson was the Society's first secretary-manager and full-time administrator. He took on the role in 1937, when the Society's fortunes were low, and managed to turn things around. Dawson helped secure the legislation in Ontario that authorized the first RIA (Registered Industrial and Cost Accountant) designation.

1935 Establishment of the Bank of Canada.

1937 Society's headquarters move to Hamilton, Ont., and remain there until 2000, when they relocate to Mississauga, Ont.

1939 **World War II begins.** Canada joins in on Sept. 10.

The American Institute of Accountants' Committee on Accounting Procedure starts the process that leads to the establishment of **Generally Accepted Accounting Principles (GAAP)**.

Society's Board of Directors decides to seek legislative approval for a professional designation, called **RIA** (Registered Industrial and Cost Accountant).

“\$10,000 a year is no longer an exceptional income in the United States. In 1962, 19 per cent of American households took in at least that much, compared to only 4½ per cent fifteen years ago.”

— *Cost and Management*, quoting *Frontiers in Management*, 1963

RAISING THE BATTLE CRY

JUST BEFORE the Society's board meeting in September 1939, Canada joined Great Britain in declaring war on Germany. The board passed a resolution to support the Dominion Government “in the present emergency and offers its services in any way that may be deemed necessary.”

THE SOCIETY played a prominent role in recruiting cost accountants for the government, including the Department of Munitions and Supply.

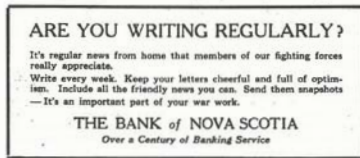
IT ALSO DRUMMED UP patriotism and support for Victory Loans in *Cost and Management* editorials.

Buy
**WAR SAVINGS
STAMPS**
Regularly

Ad in *Cost and Management*, 1942.



The U.S. World War II Victory Medal commemorates military service.



Ad in *Cost and Management*, 1945.

1940 1949

1940

The Ontario legislature recognizes the Society as a professional accounting body with designation-granting powers; Quebec follows suit in March 1941. All other provinces and territories follow.

1941

Canada's Unemployment Insurance Act takes effect.

Japan attacks Pearl Harbor.



Member memories

What does a CMA (formerly an RIA) do?

Some 50 years ago, I asked this question. Emerging from a wartime farming background at age 25, with a Grade 13 education and almost 10 years' banking experience, I assessed opportunities in the world of finance. My interests focused on making things happen, as opposed to recording or auditing what had happened. I concluded that RIA was the program that best suited my vision. With an imagination and a passion for "doing it right," I found the CMA program provides unlimited opportunities.

Don Hall, CMA
Richmond Hill, Ont.

1943

Society develops correspondence courses.

1944

The World Bank and International Monetary Fund are established.

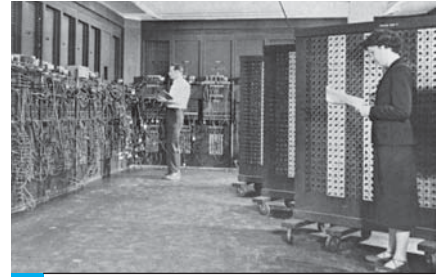


1945

World War II ends; the United Nations is created.

By June 1945, the Society has four provincial bodies and arrangements with universities in Ontario and Quebec to offer courses leading to qualification for the RIA and LCMI (Licentiate of the Cost and Management Institute) designations, respectively.

Electronic Numerical Integrator and Calculator (ENIAC).



1946

Creation of the **first electronic, general-purpose computer**. The hefty American invention fills a 10-by-15-metre room and weighs 30,000 kg.

First revision to the Society's educational curriculum; new courses include Industrial Legislation and Business Mathematics.



One-man band

J. Nelson Allan was the Society's chief administrator for 30 years (1945 – 1975), first as secretary-manager and then as executive vice-president. He was present for many pivotal changes that shaped the organization. Allan trekked across the country to build support for the Society and its programs. He also authored *History of the Society of Management Accountants of Canada*, which we drew on heavily for these pages.



1947

Jackie Robinson becomes the **first black player** in major league baseball.



1949

Newfoundland joins Canada.

Canada co-founds the **North Atlantic Treaty Organization.**

The People's Republic of China is established.



“ Good health is becoming increasingly important to the executive. Firms are beginning to look for the type that can take the stresses and strains of the job without developing an ulcer. ”

— *Cost and Management*, quoting *Administrative Management*, 1965

Trailblazer Marjorie Laws in 1964.



BREAKING INTO THE BOYS' CLUB

AS IN OTHER PROFESSIONS, women struggled to be taken seriously in accounting. The premier of Quebec uttered a telling line at the Montreal Chapter's 1930 gala: "If a woman becomes a Chartered Accountant ... if her OK bears the same weight as that of a man who has spent a life time in the intricacies of bookkeeping and business operations, do you believe that your profession will have the same standing in the business community?"

THE SOCIETY didn't have its first female member until 1949. Anne Marie Boyer of Montreal, a cost accountant with National Brewers Limited, was the first woman to qualify for the RIA designation. But women continued to make headway. In 1964, the Moncton Chapter became the first to have a "lady chairman," Marjorie Laws. Today, women make up 50 per cent of new graduates.

Isolated colourful DNA.



1950 — 1959

1950

Beginning of the Korean War and heightening of Cold War tensions.



Creation of the **first modern credit card.**

Inventor Frank McNamara calls it the Diners Club Card after finding himself short of cash while dining out one evening.

Birth of the Internet, originally a U.S. government project to enable communication in case of a nuclear attack.

1953

Coronation of Queen Elizabeth II.

James Watson and **Francis Crick** publish news of their discovery of DNA.

Society establishes an educational foundation to finance course revisions and related research.

“ Let’s stop being passive and become MAD, REAL FIGHTING MAD, AND LET’S GO CANADA. ”

— Editorial about World War II in *Cost and Management*, 1942

HIGHER LEARNING 201

THE SOCIETY’S education program expanded rapidly in the ’50s. The Hamilton Chapter launched lectures for junior executives that covered topics such as taxation and economics. These lectures became the framework for the Ontario chapters’ Executive Development Course and — later still — continuing education across Canada. The Society also standardized RIA qualifications across Canada.

IN THE 1970s, the Society began planning education in two areas: (1) core accounting knowledge and (2) technical, environmental and managerial knowledge. The Society introduced an Advanced Studies Program with its own certificate.

IN 1989, the Society introduced the two-year part-time CMA Professional Program. University partners taught accounting’s technical aspects; the new CMA syllabus built upon business degrees in advanced management accounting and management.

IN 2000, the Society

introduced the Strategic Leadership Program (SLP). Candidates without advanced professional standing needed a degree from a post-secondary institution and certain prerequisites before they wrote CMA Canada’s entrance examination. Those who passed entered the SLP.

THE CPA PROFESSIONAL EDUCATION PROGRAM (CPA PEP) launched in Western Canada in September 2013. The two-year part-time graduate-level program is based on the new CPA Competency Map.



1955 Black-and-white TVs become popular.

CBC and Radio-Canada TV stations begin broadcasting.



1957 The Soviet Union successfully launches **Sputnik I**, the first artificial satellite. The “space race” between the United States and the Soviet Union begins.



Creation of the European Economic Community (EEC) or Common Market, precursor of the European Union (EU).



WHAT’S IN A NAME?

The Society’s name has changed several times over the past 93 years.

1920

The Canadian Society of Cost Accountants

1930

The Canadian Society of Cost Accountants and Industrial Engineers

1947

The Society of Industrial and Cost Accountants of Canada

1966

The Society of Industrial Accountants

1968

The Society of Industrial Accountants of Canada

1976

The Society of Management Accountants of Canada
La société des comptables en management du Canada

NOW-an *All-Purpose* Posting System



Ad in *Cost and Management*, 1954.

1960 — 1969

1960

Society publishes *An Appraisal of Capital Expenditure*, the first in a series of research publications.

In the late '50s and early '60s, interest in international accounting grows.

1961

Erection of the Berlin Wall.



1962

Invention of audiotape cassettes.



Andy Warhol debuts his iconic *Campbell's Soup Cans* paintings in New York.

EN FRANÇAIS, S'IL VOUS PLAÎT!

IN THE EARLY 1960s, the Society adopted a new French-language policy to better serve members in both official languages. In 1964, *Cost and Management* published its first French editorial, and in 1966 its annual report was published in both English and French for the first time. The bigger challenge was translating technical literature while retaining the work's integrity. In 1973, to improve policy implementation, the Society started a National French Language Committee. CMA Canada continues to publish all documents in both of Canada's official languages — about one million words a year.

1962

Saskatchewan starts **medicare**, but does not get federal funding until 1968. Other provinces and territories follow suit.

Society acquires a coat of arms.



Photo courtesy of the Institute of Cost and Management Accountants of Pakistan

GOING GLOBAL

IN 1960, the Society took on a project beyond Canada's borders: working with the Pakistan Institute of Industrial Accountants (PIIA) to develop its educational program, which was similar to the Society's RIA program. This decade-long initiative was a success: by 1970, 600 students had graduated and the PIIA had grown substantially. The organization deeply appreciated the Society's help. In an article for an international journal, its president praised the Canadians' unassuming nature and willingness to "play an inconspicuous role."

ALSO IN 1960, the Society received an invitation to its first international event, the Conference of Asian and Pacific Accountants. Don Patton, chairman of the Society's Co-ordinating Education Committee, attended the event in Australia. Two years later, the Society sent official delegates to the International Accountants' Congress, held in New York, for the first time.

IN 1973, the Society's director of research, John Ross, was invited to a meeting with his counterparts from several major accounting bodies. The Society was also asked to contribute to the work of the International Accounting Standards Committee. The Society, it seems, had put Canadian management accountants firmly on the world map.



1964 Canada adopts the red-and-white maple leaf flag.

1967 Gerhard G. Mueller publishes *International Accounting*, the first textbook of its kind.

Colour TVs outsell black-and-white ones for the first time.

Cost and Management, September/October 1980.



RISE OF THE COMPUTER

BY THE MID-1960s, many businesses owned computers, a cause for hand-wringing among accountants. Doomsayers predicted accounting would become obsolete, and accountants redundant. Others saw the advent of computers as a chance for accountants to get more involved in decision making and planning.

THE SOCIETY'S JOURNAL began to feature articles about computers, packed with practical tips like this gem: “[T]here is no substitute for meticulous preparation and programming before the computer arrives. The eighteen months that it usually takes to get delivery on a big machine is a minimum amount of time to prepare properly.”

THE SOCIETY COMMISSIONED a study, *The Impact of the Computer on Management and the Accountant*. Published in 1966, it served as a framework for the redesign of educational programs, including the RIA course. The Society also introduced a continuing education course in Electronic Data Processing.

ACCOUNTANTS have not only adapted to the brave new world of technology, but also harnessed its power to boost the bottom line. In the '90s, CMA Canada's journal was publishing an annual computer issue and savvy articles like “The Internet: The Swiss Army Knife of Business Tools.” Today accountants and computers get along just fine.

1968 Society develops *The Nature and Scope of Accounting* and *The Management Accountant's Body of Knowledge*. They provide the profession's philosophical underpinning for the next decade.

1969 Board of Directors approves the Society's first Rules of Professional Conduct.



American astronauts land on the moon.

“ Junior Cost Accountant required with some experience in cost work. Must be competent to carry out system already in operation. Salary \$40 a week to begin. Apply *Cost and Management* No. 102. ”

— Job ad in *Cost and Management*, 1926



Globalist

Ken Biggs, FCMA, FCA, advanced the work of IFAC's Professional Accountants in Business (PAIB) Committee by aligning its vision and work with CMA Canada's vision of the management accounting profession. He was the committee's chairman from 1987 to 1997, then served as Canada's voting member on the IFAC Council. Biggs served as a president of CMA Canada from 1973 to 1974.

1970 — 1979

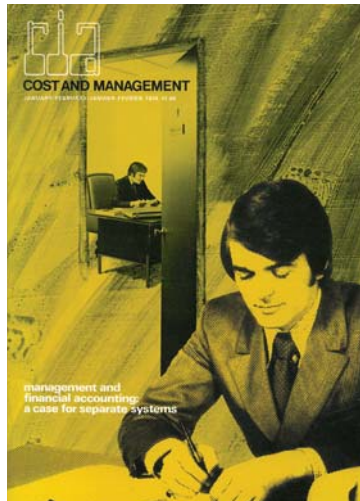
1970 Society's Golden Jubilee Year.



1972 Paul Henderson scores the winning goal in the final game of the Canada-Soviet hockey series.

Offices start using tele-type machines to enter and process the data of early personal computers.

Cost and Management, January/February 1974.



Cost and Management, 1964.

Rest and Relaxation for Business Men

Lack of proper relaxation causes many executive crack-ups. Here are a few suggestions by a leading psychiatrist for the out-of-hours schedule:

- ▶ Leave the brief case in the office at night.
- ▶ Entertain business guests at home at least once a week.
- ▶ Have at least one luncheon a week with non-business friends.
- ▶ Take the wife away from the children, one week-end a month. ”

— Cost and Management, 1955

Wear your CMA proudly



CMA Professional Ring
Beautifully crafted in 10k gold for men and 14k gold for women, the CMA ring is boldly fastened with the CMA logo. A true sign of distinction. Wear it with pride on the little finger of the right hand. Please specify ring size and year of graduation, which can be printed either inside or outside of the band.
Allow 6 weeks for delivery. \$225 each.

PUT A RING ON IT

IN 1972, the Society's public relations committee proposed the introduction of the RIA ring. Designed by Birks, the 10K gold ring would cost \$32 (including the engraving of the member's graduation year) and would be worn on the little finger of the right hand. Today's CMA rings have a heftier price tag: \$360 for women, \$420 for men. It's not too late to get one; they're available until the end of 2015.

1973 International Accounting Standards Committee

(IASC), the first international standards-setting body, is formed.

A Motorola engineer makes the world's first cellphone call.

1975 Sony introduces Betamax videotape cassettes. JVC launches VHS the next year.

1977 Society is a founding member of the **International Federation of Accountants (IFAC)**.

1981 — 1989

1980s Fax machines become essential office equipment.

1981 IBM introduces its PC Model 5150, sparking widespread adoption of personal computers.

1982 **Canada's Constitution Act** comes into force. It includes the **Canadian Charter of Rights and Freedoms**.

Philips Corporation demos the **first CD player**.



CMA, January/February 1988.



Educator

Anthony Atkinson, FCMA, MBA, PhD, is an accounting professor in the School of Business Economics at Wilfrid Laurier University. Atkinson wrote the CMA Canada management accounting practice standards and co-wrote the original versions of the CMA Canada Strategic Leadership Program and the Executive Strategic Leadership Program.



Architect

Robert (Bob) Dye, FCMA, was president and CEO of the Society from 1997 to 2003. He was the principal architect of the new CMA accreditation program. His bold strategic initiatives, adopted by CMA Canada's board in 1998, reshaped the organization and leveraged its professional programs. Before becoming CMA Canada's president, Dye served for many years as a volunteer and staff member; his prior position was chief staff officer of the Ontario Society.



“ The length of your cigarette butt reveals your social status. Results of a recent study on the relationship between smoking and cancer turned up this interesting sidelight: average length of an upper class butt was 31.4 mm.; of a middle class butt, 27.8 mm.; of a lower class butt, 25.5 mm. ”

— *Cost and Management*, quoting *Financial Post*, 1960



CMA, May 1992.

1985

Society introduces the professional designation of **Certified Management Accountant (CMA)**, replacing RIA.



CMA, 1992.

EVOLVING WITH THE TIMES

IN THE EARLY 20TH CENTURY, management accountants (or “cost accountants”) supported organizations mobilizing for World War I, providing budgeting and cost determination for inventory valuation. The Dirty Thirties saw a shift to auditing, regulatory activities and external reporting; the setting of standards would preoccupy accountants for decades.

THE SOCIETY BEGAN REPOSITIONING the profession in the 1960s. It expanded the body of knowledge to include systems design and information theory, computer modelling and communication skills. Continuous research helped the Society keep pace with leading-edge businesses. In the late '70s, the Society adapted to customer-centred organizations, the faster movement of capital, changes in knowledge management, and globalization.

IN 1989, the Society updated its accreditation program to include skills such as team building, leadership, presentation and communication. Developing forward-looking financial and performance-management reporting remains key.



Intellectual

Robert S. Kaplan is a former dean of Carnegie Mellon University's business school and a professor emeritus of Harvard University. Much of his research focuses on financial and management accounting. Kaplan's publications include *Relevance Lost: The Rise and Fall of Management Accounting* (with H. Thomas Johnson) in 1987. Kaplan and David P. Norton introduced the balanced scorecard method in 1992.



1989

Start of free trade between Canada and the United States.

Berlin Wall is torn down.



Member memories

The path to becoming a CMA was an adventure. I was in the program's third year when I saw *Out of Africa* and longed to see the world. The only way to complete the CMA program was by correspondence courses. So, in March 1990, I headed out with a one-way ticket and a backpack filled with T-shirts, shorts and two accounting textbooks. To lighten the load, I ripped out pages I didn't think I'd need. It was challenging to study while others were enjoying themselves, but it taught me discipline, and I developed an attitude that says anything can be done. I had the will and CMA provided the way.

Judy Gillies, CMA
Toronto, Ont.

“ The wheel, one of the beloved symbols of human progress, will be obsolete by 2064, says Donald Gordon, CNR chairman and president. In its place, overland transport will be jet-cushioned and rail-guided, or by rocket belt at or below the earth surface. ”

— *Cost and Management*, quoting *Executive*, 1964



CMA, October 1988.

1990 — 1999

1990 Germany reunifies.

Launch of the **Human Genome Project**.

Meech Lake Accord defeated.

1991 GST introduced in Canada.

End of apartheid in South Africa.



1993 Kim Campbell becomes Canada's first female prime minister.

CMA magazine, March 1997.



THE SHIFT TO SUSTAINABILITY

IN THE 1990s, companies started paying attention to social responsibility and the environmental costs of doing business. Back then, “accounting for sustainable development” was an emerging field. These days, industry leaders include carbon offsets on their balance sheets, and sustainability is as important for a company's reputation as it is for saving the planet.

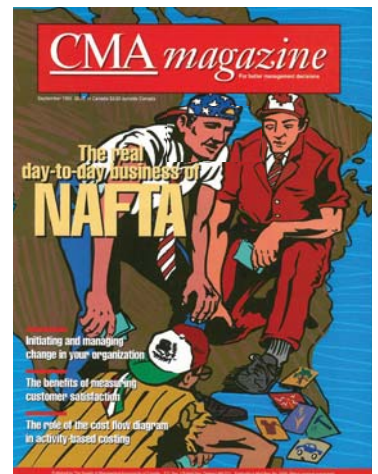
1996 Canadian sprinter **Donovan Bailey** wins the **100-metre race** in world-record time (9.84 seconds).

1999 The **euro launches** as online currency. In 2002, it becomes legal tender.



Author

Charles T. Horngren was a management accounting pioneer. His influential textbook *Cost Accounting: A Managerial Emphasis*, published in 1962, is now in its 14th edition.



CMA magazine, September 1995.

INSIDE THE MERGER

THE COMPLEXITY OF THE MERGER of Canada's accounting bodies can't be overestimated, says Joy Thomas, CEO of CMA Canada and executive vice-president of CPA Canada.

"UNITING THE STRUCTURE of the profession is our greatest challenge. We started with 40 governing boards and 30 CEOs managing the profession, each with an agenda, decision-making process and timeline."

GETTING ALL BODIES ON THE SAME PAGE and understanding that everything would not happen simultaneously was a challenge. So was communicating the right amount of information to members while managing the conflicting communications of the various governing bodies.

"THE ENDGAME FOR CMA Canada's board was full unification of the profession across the country," says Thomas. "No question."



2001

Terrorist attacks hit New York City and Washington, D.C.



A LOOK BACK AT IFRS

HOW HAS CANADA CONTRIBUTED to the development and adoption of global accounting standards? Here's a run-down.

IN 1966, three major accounting bodies — the Institute of Chartered Accountants of England & Wales (ICAEW), the American Institute of Certified Public Accountants (AICPA) and the Canadian Institute of Chartered Accountants (CICA) — established the Accountants International Study Group, which began publishing papers about changes to the profession.

INTEREST GREW, and in 1973 the International Accounting Standards Committee (IASC) was born. Over 27 years, it released a series of standards. In 2001, IASC was restructured and became the International Accounting Standards Board (IASB). New standards were released under the name of International Financial Reporting Standards (IFRS).

JUNE 2003 saw the release of IFRS 1: *First-time Adoption of International Financial Reporting Standards*. In the same year, the European Commission adopted a regulation that endorsed international standards, setting the stage for compulsory use in 2005. Since then, many countries have permitted or required IFRS. Canada adopted them in full as Canadian Financial Reporting Standards; they became effective in 2011, although certain entities and investment companies got more time to comply.

USING INTERNATIONAL STANDARDS,

companies can present financial statements that are easier to compare in the global marketplace and may raise foreign capital more easily. For companies with subsidiaries in other countries, the use of international standards could mean a uniform accounting method across the company.

THE PUSH FOR UNIFORMITY has created a desire for global uniformity in accountants themselves. The result? The rise of the globally competitive Canadian CPA.

2000 — 2013

2000

Society revises its Professional Program and renames it the **Strategic Leadership Program (SLP)**.



Ad in *CMA Management*, 2010.



Ad in *CMA Management*, 2009.

“ Auto insurance companies are beginning to recognize in a practical way the role of seat belts in preventing fatal accidents. If the incentive of saving their own lives is not enough for some people, the fact that several insurance companies now allow a reduction in premiums if front seat belts are installed may induce them to adopt this safety measure. ”

— *Cost and Management*, quoting *Business Week*, 1962



Member memories

In 1961, the firm where I worked wasn't eager to let me into the five-year CA articulated program.

Perhaps they thought a woman, married with two children, would not complete it.

I enrolled in the RIA program. I was the only woman in the class. I may have been the first woman in Alberta to obtain the designation.

Employers were not used to women being anything other than secretaries or clerks. At an interview, I thought it odd that nobody questioned me about the job. “We just wanted to see what a woman accountant looked like,” the interviewer explained.

I returned to the CA firm as office manager and after a couple of years went back to university to obtain a degree in economics. Giving RIA lectures helped pay for tuition.

After graduation, I worked at Transport Canada doing cost-benefit analysis for airports. Some of my methodology was adopted nationally.

Incidentally, my granddaughter inherited at least one of my genes: she's in the final months of becoming a CA — or should I say CPA? What could be a more fitting compliment?

Florence Nelson (Smith),
CMA, Red Deer, Alta.

MERGER LESSONS LEARNED

JOY THOMAS, CEO OF

CMA CANADA and executive vice-president of CPA Canada, offers these tips on successfully managing a merger.

Don't underestimate the need to communicate with the affected parties. Listen and speak often, even daily.

Understand that you don't own the problem.

Reach out, gain insight and get buy-in from others.

Believe passionately in what you're setting out to accomplish. You can't be

on the fence. If you acquire that mindset, get agreement from most players and reject failure as an option, you're more likely to find solutions.

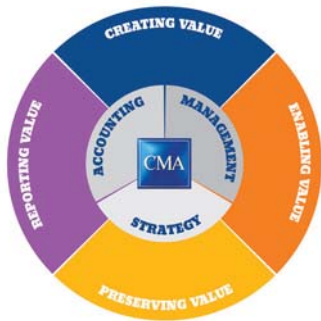
Know there are a thousand details and what-ifs to contend with. Understand and manage risks, but don't let them paralyze action.

2002

The Ontario government passes legislation that amends the Public Accountancy Act of Ontario and expands the qualification for a public accounting licence to include CMAs and CGAs.

The Financial Accounting Standards Board (FASB) and the IASB work together to converge U.S. GAAP and international financial reporting standards (IFRS). **The Norwalk Agreement** results.

The European Union adopts legislation that requires listed companies to prepare consolidated financial statements using IFRS starting in 2005. It is the first major capital market to do so.



A MAP TO THE FUTURE

INTRODUCED IN 2006, the CMA Competency Map was a compass for the profession, serving as a resource for education and program planning. The 2011 version contained about 100 competencies. A “wheel of sustainable value” showed how the three pillars — strategy, management and accounting — distinguished CMAs from other accounting professionals.

THE NEW CPA COMPETENCY MAP, developed by education experts in consultation with accounting practitioners, academics and employers, brings together the best practices of CMAs, CAs and CGAs to meet the needs of industry, public practice and government. The map describes a CPA’s required knowledge, skills and proficiency; it includes six technical competencies, five enabling competencies (personal and soft skills) and the three familiar CMA pillars.

2004 **Unification of CMA Canada and Canadian Institute of Chartered Accountants (CICA)** is proposed to rationalize the accounting profession, but discussions are terminated a year later.

WHAT'S NEXT

AS THIS FINAL ISSUE OF CMA MAGAZINE GOES TO PRESS, all but two CGA

bodies are part of the unification talks. CPA Canada is seeking ways to ensure that all CGAs, in addition to all the CMAs and CAs already within the new organization, have access to CPA Canada.

The new CPA brand has been launched. CPA Canada is delivering a state-of-the-art CPA certification program, a national ad campaign, and products and services that will support members throughout their careers.



2006 CMA Canada’s new governance structure aids the process of reaching consensus among the CMA partnership, improving decision making and encouraging best practices.

2007 **CMA Canada Research Foundation** is incorporated.



Apple launches the **iPhone**.



2009 Barack Obama is sworn in as the **first African-American president** of the United States.

2011 **Merger talks resume** between CMA Canada and CICA.

2013 On January 1, **CMA Canada and CICA join to create Chartered Professional Accountants of Canada (CPA Canada)**, the national organization that supports unification of the Canadian accounting profession.

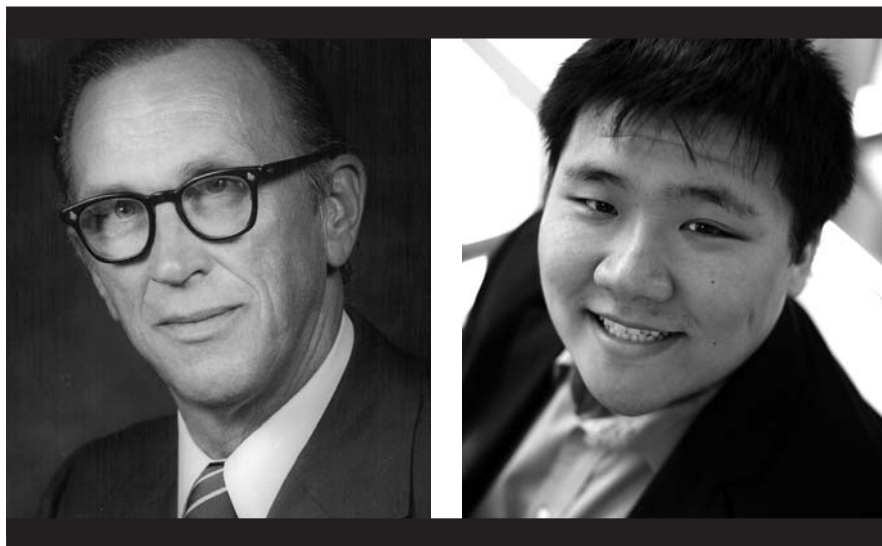
We thank Bill Langdon, FCMA, for helping us compile the facts in the later years of this timeline. We value his research into the Society’s recent history.



NOW AND THEN

Two CMAs at opposite ends of the age spectrum reflect on the work they love

As told to **Sharon Aschaiek**



DRIVEN BY PASSION

Andrew Padmos

Insights on being a CMA come from one of its earliest practitioners, Andrew Padmos. The 95-year-old resident of Kingsville, Ont., is the former chief accountant of the Ford Motor Company of Canada, where he worked for 45 years. Before retiring 30 years ago, Padmos also served as president of CMA Canada and edited one of *CMA magazine's* predecessor publications.

My work guided the processes for manufacturing and selling parts used in Ford products. It was quite an important job in those days and very enjoyable.

My CMA expertise played a big role in Ford accounting. Ford was a big operation and sales were strong. It was a good time to be part of the company.

As CMA Canada's president, I travelled across the country making speeches about manufacturing accounting and promoting CMA education. I also wrote many business articles for the magazine; I put a lot of my life into that publication. Volunteering for the organization was important and satisfying work.

DIVING INTO DATA

Kieng Iv

Kieng Iv likes a challenge. In 2011, after achieving a master's degree in accounting at the University of Waterloo, he pursued both CMA and CA designations.

Today, as a senior consultant in data analytics at Deloitte Canada, the 24-year-old helps companies mitigate risks and operate more effectively. Iv, who also teaches accounting at his alma mater, strives to become a partner. Last year, he clocked 3,200 hours, more than any other Deloitte employee in Canada.

I like to help companies go from making gut-based decisions to using facts. Often a client will say, This is what is happening in my business, and I'm not sure why. I enjoy diving into the data; it can yield valuable insights.

My CMA designation has really helped me use data analytics to implement client solutions. When I'm thinking of ways to grow business for a company and evaluating how well it's managing financial health and safety risks, I use a lot of the techniques from my CMA training. ■

Sharon Aschaiek is a Toronto-based freelance writer. See www.cocoamedia.ca.

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THE FUTURE

How will the future unfold in 50 years?
How will we work and how will technology change us?
What will be the role of the management
accountant? We explore some of the possibilities.



TO- MOR- ROW TIME

**What your daily work
routine will look like
in the future**



New tools and attitudes will transform your office, commute and job

By **Diane Peters**



It's a few decades from now.

Medical science has cured cancer, obesity and acne, so that's good. What about your job?

Numbers and money will continue to exist, so you'll still *have* a job. But it might be quite different from the one you have today. Here's a 360-degree look at your future workplace.

How and where you work will coalesce

It's 9 a.m. Instead of making a stressful commute to the office, you're shuffling in slippers to your home office. Or getting a coffee from the hotel's automatic food dispenser on your way to its glossy business centre.

"How you work and where you work are coalescing," says Marty Parker, CEO of Toronto HR firm Waterstone Human Capital. Employers will care about results, not whens and hows.

Marcel O'Gorman, director of the Critical Media Lab at the University of Waterloo, says working mobile around your own schedule will dominate

"closed-door work days." But a few times a week, you'll head to your "real" workplace in your self-driving vehicle or via a lightning-fast train.

Once there, you won't have your own office. "You'll see a model where people will want more face-to-face time in offices with open networking areas, soft seating and portable whiteboards," says O'Gorman.

People in accounting will be able to write their own ticket

Biweekly paycheques will be a thing of the past. Instead, you'll invoice multiple clients (and there'll be a voice app for that).

Just as physical workplaces will be scattered, so will employment. The future is in small-to-medium-sized enterprises that hire on contract.

"People in accounting in particular can write their own ticket," says Parker. "They can work as much as they want to." Logging in hours as CFO for several organizations won't be unusual.

Contract employment means you may

not have any medical benefits or pension, so future freedom will have its price. Saving up for fancy, life-saving drugs and your 100-year-plus lifespan will be part of personal financial planning.

Workplaces will be more flexible

The traditional workday will be long gone, but whether you work for one employer or many clients, you'll no longer have to log a personal or sick day to go to the dentist or assist an aging parent.

Companies that hire full-time employees "will get that they're hiring the whole person and they need to be flexible," says Vera Asanin, president of Your Workplace, which runs events on health in the workplace and is based in Kingston.

Companies will also try to boost your health in the workplace. Emerging data shows the benefits to employers are overwhelmingly positive. Onsite bike racks, gym and health food options — or support in accessing such resources — will be standard practice.



“There will be no place for those who micromanage.”

“It’ll be a given. Just like giving you a computer for your desk,” says Asanin.

► Leadership doesn’t always mean being in the same room

Remember those Monday morning face-to-face status report meetings? In a few decades, no one will. “Leadership doesn’t always mean being in the same room,” says Parker.

Future managers will need to build respect without face time. They’ll need to find creative ways to get team players together, find common ground despite distance, and innovate constantly for best results.

Meanwhile, there will be no place for those who micromanage. Tomorrow’s leaders will know when to connect via tech (or even the phone — an obscure but still useful piece of technology even several decades from now) and when to let team members hunker down and work.

Asanin says those hefty manuals that dictate every nuance of workplace life will be cut in half as remote workers get more autonomy and trust. “We’re all adults,” she says.

► We’re going to get smarter about the tools we use

You might not be dropping by the same desk at 9 a.m. every morning, but you will be more closely linked in.

“The idea of having to sit down at a workstation to do something is going to become less and less prevalent,” says

O’Gorman. Virtual meetings and collaborative work will occur seamlessly via increasingly better technologies, the likes of which will look pretty outlandish to today’s eyes.

Asanin says our current struggles with tech toys will abate. “We’re going to learn how to use these tools better,” she says. We’ll also learn to shut off our devices after hours and while driving, walking or watching sports events.

O’Gorman thinks we’ll learn to resist the pressure to immediately respond to all electronic messages. “I’d like to see people deliberately use slower technology or add a delay script to all messages so they can’t reply right away.”

► There won’t be another RIM in Canada

When you pick up the phone or send an electronic message, the recipient is most likely going to be working in a different sector, on average, than the ones you communicate with today.

Parker says the big growth in the Canadian economy will be in small and medium-sized businesses, most of them in the service sector. “There won’t be another RIM in Canada,” he says.

Health care and tourism will rise while manufacturing will decline. Jobs such as data entry will continue to become digitized. Even more jobs will require highly skilled technicians, the likes of which our arts-driven universities and colleges aren’t currently graduating.

“Employers are going to end up doing more training in house. There’s a big gap between our education system and what workplaces need. It’s not shifting fast enough,” says Asanin.

► We’re going to stop doing work that serves no purpose

Once a week or once a month, you’ll set aside all your must-do tasks and get creative. Your employer will also set aside more time for you to push for true excellence on projects.

Asanin thinks this scenario will be possible because we’ll be rid of time wasters such as regular meetings and meaningless reports. “We’re going to stop doing work that serves no purpose,” she says.

While being innovative, you’ll reconnect with your passion for your work — a key part of work life that employers, finally, will accept as important.

No one knows for sure what the next decades will bring. We could be flying into outer space daily and dressing like Princess Leia. But we can guess that work will become more flexible, creative and customized. In the end, business, culture and life overall should be the better for it. ■

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



Science and technology writer **Clive Thompson** finds educational value in popular social media

By **Gabrielle Bauer**

Q You've sung the praises of Twitter, a medium some long-form writers have scoffed at. What do you find most compelling about it?

A: It's fantastic for what I call public thinking. When I'm musing about something, I post it on Twitter and my 18,000 followers come back with a wealth of feedback. For example, I was writing a column in *Wired* magazine about the use of sound on the Internet. People told me about all the interesting sounds they're storing and using, like the ambient noise of ice crackling in their backyard.

Q: Does Facebook also get your nod of approval?

A: One of the paradoxes about Facebook is that people's individual posts and updates can be quite meaningless. Think of the proverbial "Just had lunch at the mall." Over time, the individual utterances begin to coalesce into a rich tapestry of information — what psychologists call "ambient awareness." After a month you have a short story, and after a year you have a novel. When I follow my friends' Facebook lives over time, I'm left with a deep sense of how they think and what they value.

Q: Any downside to Facebook and other social media?

A: Young people, who often view Facebook as an extension of their very selves, have noted the stress of having to "perform" on Facebook. Their self-esteem takes a hit if they don't have as many "likes" as their friends do. That's the downside of ambient awareness. It's why some people give themselves periodic Facebook breaks. It takes experimentation to figure out what works.

Q: Academics and English teachers have bemoaned the way technology, particularly texting, has affected the quality of writing. What's your take?

A: I think the opposite is happening. It used to be that the vast majority of people never wrote anything after high school. My mother, who's 75 and highly literate, is a case in point. I recently asked her when she had last written a paragraph. She had to think for a while, and finally came up with "definitely not this past year." That's typical of her generation.

Today, everybody writes. By my lowball estimate, humans collectively spew out 36 million words per day. Knowing they're communicating with an audience, people edit what they write — even bloggers and tweeters. Of course, bad writing will always be with us, but I think the explosion of written content has raised the overall bar.

Q: What do you think about the demise of privacy in the wired world?

A: We forget that lack of privacy used to be the norm before the industrial era. My grandparents came from a Ukrainian hamlet of a few thousand people, where everybody knew everybody else's business. Once we started living in cities, anonymity became the norm. Social analysts worried about how people would handle the excess privacy.

Social media have moved us back to the village, so to speak. Today our analysts worry about how we'll adapt to the new lack of privacy, so we've come full circle. The big upside of "going public" is that we can communicate about topics that used to be considered taboo. For example, a friend of mine, who started posting about her child's cancer diagnosis, has received a wealth of suggestions and support.

Q: Do you ever take breaks from electronics?

A: Every weekend. I go almost completely offline on Friday at 6 p.m. and don't do much except a little Facebook until Monday morning. It started as an accident, but I discovered it was lovely to have this Sabbath. I get into books, magazines, and jotting down ideas with pencils. It gets me to a different mental place and makes it more exciting to plug back in every Monday. It's like rotating crops: it keeps the soil fertile. ■

Clive Thompson is a contributing writer for *The New York Times Magazine* and *Wired*, and appears regularly on many TV networks including *CNN* and *Fox News*. His latest book, *Smarter Than You Think*, was released in September 2013. A graduate of the University of Toronto, Thompson lives in Brooklyn, N.Y.

TIME- LESS CLAS- SICS



10 business books that won't grow old

Golden oldies and relative newbies provide great advice

By Anne Bokma

Dale Carnegie's hit self-help guide *How to Win Friends and Influence People* first appeared 77 years ago. Malcolm Gladwell's more recent hit *The Tipping Point* appeared a mere 13 years ago. These two and eight other essential business reads require a permanent spot on your library shelf.

▼ **The 7 Habits of Highly Effective People: Powerful Lessons in Personal Change**

Author: **Stephen R. Covey**

First published: **1989**

Current edition: **Free Press, 2004**

Why it was a hit: This book — which sold 25 million copies — was a new kind of self-help guide. It changed the way readers look at themselves and the world, leading them to greater professional and personal success.

Why it still matters: In 2011, *Time* listed *7 Habits* as one of its 25 most influential business management books. Covey's advice is useful in the development and pursuit of life and career goals.

▼ **How to Win Friends and Influence People: The Only Book You Need to Lead You to Success**

Author: **Dale Carnegie**

First published: **1936**

Current edition: **Gallery Books, 1998**

Why it was a hit: Carnegie recognized that success has more to do with people skills than professional knowledge, and he emphasized the importance of making people feel important and appreciated.

Why it still matters: Carnegie's classic is considered the granddaddy of people-skills books.

▼ **Built to Last: Successful Habits of Visionary Companies**

Authors: **James C. Collins and Jerry I. Porras**

First published: **1994**

Current edition: **HarperBusiness**

Essentials, 2002

Why it was a hit: The authors, a team from Stanford's business school, identified 18 visionary companies. A direct comparison of each with its top competitor determined what made the more successful company stand out.

Why it still matters: This book explains the timeless fundamentals that allow organizations to prosper.

▼ **Good to Great: Why Some Companies Make the Leap ... and Others Don't**

Author: **Jim Collins**

Publisher: **HarperCollins Publishers, 2001**

Why it was a hit: Collins followed up *Built to Last* with an extensive analysis of 1,400 Fortune 500 companies in the 1965 – 95 era. His detailed examination of 11 of those companies reveals the characteristics of companies that sustain success over time.

Why it still matters: Collins's assertion that the best companies are led by executives whose “genuine personal humility blends with intense professional will” is credited with changing modern business leadership.

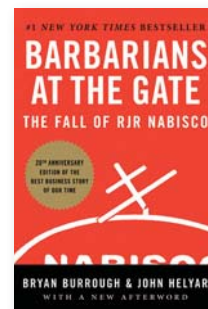
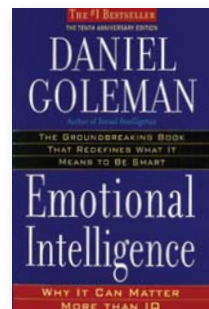
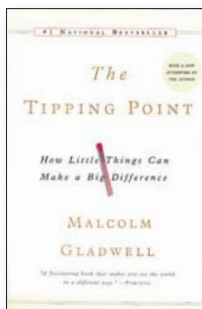
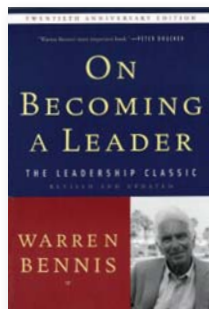
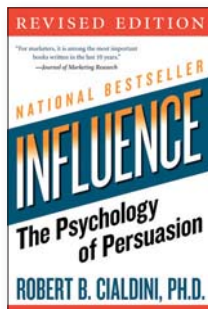
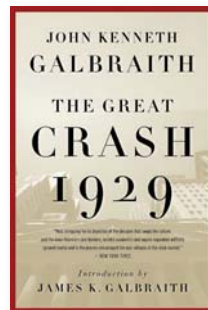
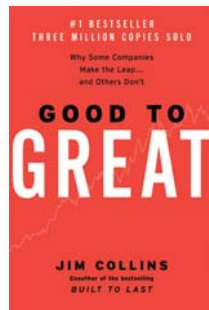
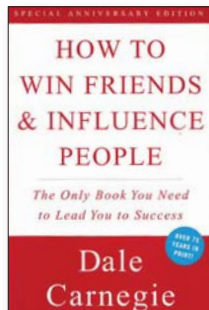
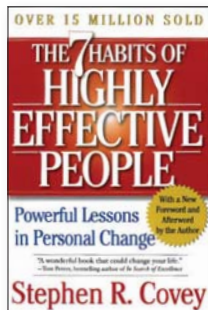
▼ **The Great Crash, 1929**

Author: **John Kenneth Galbraith**

First published: **1954**

Current edition: **Mariner Books, 2009**

Why it was a hit: One of America's foremost economists analyzed the



lead-up to the greatest financial disaster of our time. Galbraith blamed greed and speculation by the rich for the collapse (in 1928 the richest 5 per cent of the population took in one-third of all personal income) and argued that an economy that relies on the spending of so few is less stable than one made up of a greater number of people of more modest means. **Why it still matters:** A good knowledge of what happened in 1929 helps us avoid a repeat.

► **Influence: The Psychology of Persuasion**

Author: **Robert B. Cialdini**
 First published: **1984**
 Current edition: **HarperCollins Publishers, 2007**

Why it was a hit: The book explains six ways to get people to say yes.
Why it still matters: We all want to know how to get people to say yes.

► **On Becoming a Leader: The Leadership Classic**

Author: **Warren Bennis**
 First published: **1989**
 Current edition: **Basic Books, 2009**

Why it was a hit: Named the “dean of leadership gurus” by *Forbes* magazine, Bennis examined 28 case studies of leaders and identified their common qualities.

Why it still matters: Great leaders are made, not born. The learning never stops.

► **The Tipping Point: How Little Things Can Make a Big Difference**

Author: **Malcolm Gladwell**
 First published: **2000**
 Current edition: **Back Bay Books, 2002**

Why it was a hit: This book explains how trends take hold.
Why it still matters: It’s one of the best books on the economics of popular culture.

► **Emotional Intelligence: Why It Can Matter More Than IQ**

Author: **Daniel Goleman**
 First published: **1995**
 Current edition: **Bantam Dell, 2006**

Why it was a hit: Before this book came along, the pre-eminence of IQ as the standard of excellence was unquestioned.

Why it still matters: Goleman provides

proof that not only brainiacs succeed. Non-cognitive people skills can be just as important as intelligence.

► **Barbarians at the Gate: The Fall of RJR Nabisco**

Authors: **Brian Burrough and John Helyar**
 First published: **1990**
 Current edition: **HarperBusiness Essentials, 2003**

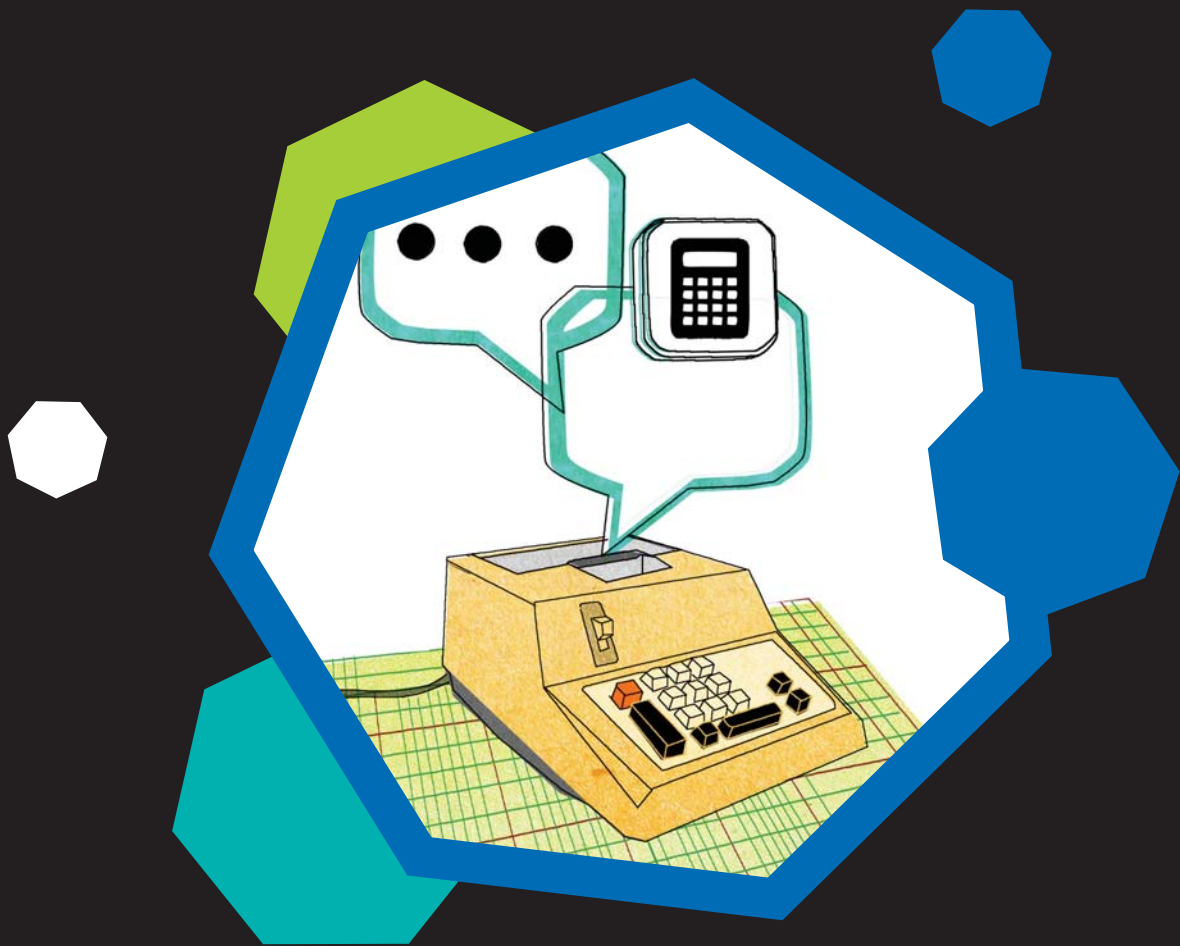
Why it was a hit: Two investigative journalists provided a riveting account of the largest takeover in Wall Street history. The book is so compelling it inspired an HBO movie.

Why it still matters: Every library needs a rollicking good read. ■

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

REPORT FROM 2063

**Our panel of experts takes
a stab at the future**





Read our predictions: are you prepared to be a leader?

By **Jacob Stoller**

In the sci-fi film *Star Trek: First Contact*, Captain Jean-Luc Picard pilots the Enterprise back in time from the twenty-fourth century to 2063, the year humans first contacted alien life thanks to their newly acquired ability to travel at warp speed.

As we travel toward the real 2063, fantasies about intergalactic travel give way to the sober realization that our survival depends on how well we manage the planet's finite resources. No surprise, then, that when we consider the future of accounting, sustainability is a major theme.

What role might accountants play in meeting the challenges of the future? What will a Canadian management accountant's day look like? To provide some insight, we called on nine thought leaders.*

Of course, predicting events or trends even five years down the road is a stretch. "Five is the new 50," says Lisa Hershman, founder and CEO of the DeNovo Group. "The only thing I can be sure of is that I'll get it wrong," says Murray Lindsay, FCMA, professor of accounting at the University of Lethbridge.

So the predictions come with a disclaimer. All sources were assured that when 2063 arrives, they won't be held accountable.

► **PREDICTION 1: Sustainability will be baked in**

Kevin Jones: In 2063, you're going to know the risk associated with whatever you source anywhere on

the planet. In accounting, the risks will be fully captured, quantified and integrated. Even the word "sustainability" may not be around by then.

Jeff Rubin: *We have to come to terms with carbon.* Look at the balance sheets of coal companies, natural gas companies, oil companies. We've booked probably three to four times as much carbon as can be emitted without causing catastrophic temperature change.

Murray Lindsay: Society is going to be very stringent on companies measuring the impact on the environment. I really see this as a burgeoning area for auditing.

Bottom line: Sustainability will become a fundamental aspect of how organizations keep their books. Integrated reporting and the triple bottom line will be embedded in daily accounting. The environment won't be a public relations matter because managing environmental footprints will be standard business practice.

► **PREDICTION 2: There will be a lot more to account for**

Julie Desjardins: We're going to see more full-cost accounting. Right now the facility that puts sulfur dioxide into the air does not bear any of the attendant external costs. Instead, the taxpayer or the individual bears the cleanup costs, the asthma costs or whatever. We're going to see companies applying full-cost accounting to these formerly "external" costs.

Alan Willis: Accounting will not just be accounting for financial capital.

We will measure human capital, social capital, intellectual capital and the impact on natural capital.

Bob Willard: *There will be items on the balance sheet that we've never had to contend with.*

Bottom line: As businesses face an unprecedented variety of global challenges, accountants will be called upon to keep score based on a much wider range of targets and metrics.

► **PREDICTION 3: Strategy will take centre stage**

Brian Maskell: *The financials are just the shadow in the back of the cave.* We want financial people to be actively involved with people in operations, product development, marketing and other areas of business. The financials will be merely an outcome of those processes.

Bob Willard: The leverage of the CMA and CPA professionals is underestimated. These professions have an unprecedented opportunity to put a stake in the ground and make a difference. *They are the navigators on this journey.*

Bottom line: Accountants are highly skilled at keeping organizations in touch with reality by ensuring all relevant factors are weighed, measured and tracked. As the complexity of this task grows, accountants will spend less time reporting and more time helping organizations weigh their strategic options.

“The financials are just the shadow in the back of the cave.”

► PREDICTION 4: Businesses will become highly transparent

Murray Lindsay: Companies will be trumpeting their processes. We teach that these are leading-edge indicators that affect economic profitability. Why wouldn't people in the financial markets want to see this stuff? If you're not putting it out, what do you have to hide?

Alan Willis: *By 2063, accountants will be measuring what's important to people.* Business people, consumers, citizens and all kinds of other people will know exactly what a company is doing, and what its products and services are doing. Government policy will be informed by a wider spectrum of information.

David Axson: We'll see the boundaries between management accountants, business analysts and marketing analysts begin to fall away. Management accountants will need to be much stronger from an analytical, statistical and operations research standpoint.

Bottom line: The business environment of 2063 will be highly interdependent. Businesses will be accountable to many more stakeholders than they are today. Many aspects of an organization's business will be everybody's business.

► PREDICTION 5: Data will be just a part of the process

David Axson: *I'm not sure the term "management accountant" will exist in 50 years.* A lot of accounting activity will be automated. Those who are called management accountants won't need to understand key accounts, journal vouchers or a chart of accounts. The management accountant of the future will interpret and analyze.

Julie Desjardins: *The good accountants of the day are going to be ones with judgment.* Those with a multidisciplinary, collaborative approach will be even more highly

THE EXPERTS

Lisa Hershman, founder and CEO of the DeNovo Group, author and lecturer

Murray Lindsay, FCMA, professor of accounting, University of Lethbridge

Kevin Jones, president and CEO, Bloom Centre for Sustainability

Bob Willard, author, speaker and consultant on sustainability strategies

Jeff Rubin, economist, author, speaker

Julie Desjardins, CPA, CA, CPA Canada's technical adviser for sustainability

Alan Willis, CPA, CA, special adviser to CPA Canada on governance and sustainability

Brian Maskell, author, speaker, consultant on lean accounting

David Axson, managing director at Accenture

**The responses of our sources were collected individually and assembled as a panel discussion.*

regarded. I don't think computation is going to be particularly important; computers can do the arithmetic.

Alan Willis: We'll see huge databases and all kinds of scorecards and instant readouts. Executives will walk around with apps that instantly give them access to KPIs necessary for informed decision making.

Brian Maskell: I'm expecting much simpler accounting systems, but I don't mean unsophisticated. To have something simple requires it be sophisticated. Information will be available to anybody in the organization in a way that's meaningful to them.

Bottom line: As the IT sector approaches 20 per cent of GDP, the timely delivery of information will be automated. Accountants will no longer rely on spreadsheets and manual processes. Instead of number crunching, accountants will spend their time studying the implications of the information.

► PLUS ÇA CHANGE ...

Although the practice of accounting is evolving rapidly, it will always remain subject to the timeless aspects of human interaction.

“As human beings, we still have to eat,” says Lisa Hershman. “It's the same for business and the same for accounting. The money-changers in the church square focused on profit, cost, revenue, budget. I don't think those things will change, but I think technologies, human factors, geographies and governments will influence those basics.”

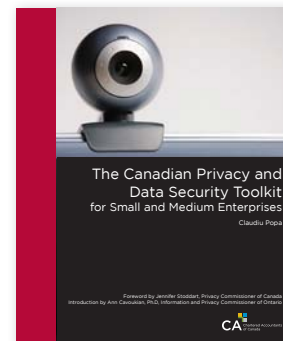
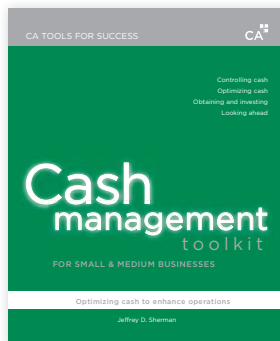
“Human nature won't change,” concludes Alan Willis, “but our understanding of how the world works may change.” ■

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

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Certified Management Accountants™

April 1, 2013, marked the launch of the Chartered Professional Accountants of Canada (CPA Canada).

Nine months later, we will celebrate the birth of a magazine dedicated to Canada's new accounting designation and business credential.

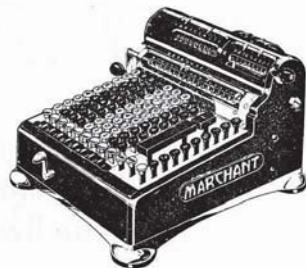
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Jagoda Mirceta, CMA member & CYBF mentor

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Retro spotlight

Oh, those crazy days of yore! Here are more classic images that we found while digging through the archives.

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1953

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MONETARY NON-MONETARY

The monetary, non-monetary distinction in accounting for inflation

1975

CMA
The Management Accounting Magazine • La revue de la comptabilité de management
SEPTEMBER-OCTOBER 1986 SEPTEMBRE-OCTOBRE 1986

The new office technology revolution
La nouvelle révolution de la technologie de bureau

1986

Here's the key to effective transmission of Management Information!

1966

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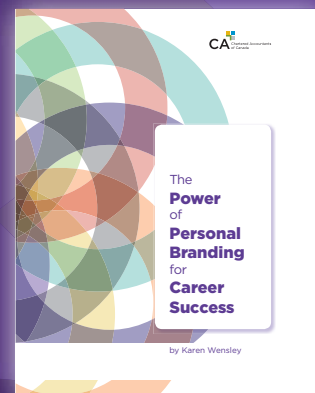
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