

Dramatic 2002 CFM Completers Ranking Changes

BY ROBERT L. BARBER, CMA

In the July 2003 issue of *Strategic Finance*, we ranked the top 20 colleges and universities that produced successful Certified Financial Manager (CFM) exam completers through December 2001. This report updates that information based on the exam completers for the year 2002 and cumulative completers through December 2002.

The data for the analysis in this column comes from the ICMA membership records of the 2,267 (of 2,905 total) CFM exam completers whose record identifies their educational background. Participation in the CFM program continues to grow, with 66 new schools achieving their first CFM completer in 2002. This brings the total number of schools represented among exam completers to 694. Graduates of more than 400 other schools have attempted parts of the exam but have not yet completed it.

Table 1 shows the college and university positions based on the cumulative number of CFM exam completers as of December 2002 compared with those as of December 2001. This year, we expanded the rankings to the top 32 colleges and

universities. Our intent was to list the top 35 institutions in order to be consistent with the ranking of the top 35 colleges and universities in CMAs published in the December 2004 issue of *Strategic Finance*, but 10 institutions are tied for 33rd, and space limitations prevent a complete listing.

While no colleges or universities in last year's top 25 dropped off the list this year, the University of Chicago slipped from 25th to 32nd. Also, Virginia Tech and Western Michigan University joined the rankings for the first time. The ranking of the top six schools remained fairly stable, but there was significant up-and-down movement in the rankings for the next 26 schools. The University of Jordan and Erasmus University, along with the University of Cairo at

number 33, provide international representation in the rankings.

In previous years we also published the rankings of schools based on the number of exam completers from January to December of the year reported. Unfortunately, with the increasing participation in the CFM program and the tight grouping of the colleges and universities in annual CFM production, publication of those rankings is no longer practical. The first 16 places are shared by 56 institutions.

Overall, 225 schools produced 378 new CFM exam completers in 2002. This is an average of 1.68 new completers per school, with a range of one to five new completers. Table 2 shows the distribution of the number of completers by school. The rankings are so tightly packed that many of the colleges and universities increased their rankings by a substantial average of nearly 40 places by generating an above-average production of two or three new completers for the year. The average improvement of 30 positions for those schools producing one or two new completers is somewhat distorted. More than half of the 694 schools represented are in ties at one or two

TABLE 1—Colleges and universities with the highest number of CFM exam completers: comparing inception through December 2002 to December 2001 rankings while also showing December 2002 CMA exam completers' rankings.

| December 2002 CFM Rank | December 2001 CFM Rank | School | December 2002 CMA Rank |
|------------------------|------------------------|----------------------------------------------------------|------------------------|
| 1 | 1 | Indiana University Bloomington | 3 |
| 2 | 2 | Pennsylvania State University | 4 |
| 3 | 3 | University of Wisconsin-Madison | 1 |
| 4 | 4 | University of Texas at Austin | 4 |
| 5 | 4 | University of Michigan-Ann Arbor | 8 |
| 6 | 4 | University of Illinois at Urbana-Champaign | 6 |
| 6 | 8 | University of South Carolina, Columbia | 13 |
| 6 | 8 | Walsh College of Accountancy and Business Administration | 35 |
| 9 | 12 | University of Minnesota, Twin Cities | 2 |
| 10 | 12 | New York University | 18 |
| 11 | 12 | Arizona State University | 15 |
| 11 | 8 | University of Washington | 7 |
| 13 | 7 | Pace University | 12 |
| 13 | 8 | University of Pittsburgh | — |
| 15 | 15 | Purdue University-West Lafayette | — |
| 15 | 17 | University of Connecticut, Storrs | 26 |
| 15 | 25 | University of Jordan, Amman, Jordan | — |
| 15 | 25 | University of Southern California | 31 |
| 19 | 25 | American Graduate School of International Management | — |
| 19 | 21 | Bentley College | 14 |
| 19 | 25 | Duke University | — |
| 19 | 17 | Erasmus University, Rotterdam, Netherlands | — |
| 19 | 17 | Lehigh University | — |
| 24 | 21 | Ohio State University | 19 |
| 24 | 15 | San Diego State University | 17 |
| 24 | 17 | University of Pennsylvania | — |
| 27 | 21 | Golden Gate University | — |
| 27 | 21 | University of Delaware | — |
| 27 | 25 | University of Maryland at College Park | — |
| 27 | — | Virginia Polytechnic Institution & State University | — |
| 27 | — | Western Michigan University | — |
| 32 | 25 | University of Chicago | 31 |

completers since inception. Thus a school that had one completer in 2001 and produced one more in 2002 jumped from a tie for 367th place to a tie for 229th place, an apparent improvement of 138 places but really only one position.

As with the CMA program, strong international interest and participation remain evident. In 2002, about 16.7% of the CFM completers represented international institutions from 21 countries, up from 10.7% and 16 countries represented in 2001. The international countries represented among cumulative CFM

completers has grown to 40, and international exam completers now represent 12.1% of all CFM completers that can be identified by school. The CFM continues to grow as a significant international credential in financial management.

The broadening of colleges and universities represented by participants in the CFM examination continues. As of December 2002, successful completers represent 694 colleges and universities. This is up from 629 in 2001 and 560 in 2000. Most of this growth of participation was among domestic institutions.

Comparison of the schools' CFM rankings with the schools' CMA rankings in Table 1 continues to indicate that the CFM examination may appeal to graduates of a different set of colleges and universities than the CMA exam. While the top rankings continue to be held by the traditional CMA examination leaders, probably due to the waiver of parts 1, 3, and 4 for current holders of the CMA certification, the fastest growth in total completers is largely among those institutions ranked in the bottom half of the top 35 CMA completers. With current rate of CFM completer growth, there's a clear possibility that schools such as the University of Connecticut, the University of Jordan, the University of Southern California, and the American Graduate School of International Management may move into top 10 rankings and displace some of the traditionally large producers of CMA completers, just as Walsh College of Accountancy and Business Administration did in 2001.

As prior reports have indicated, the ICMA files didn't record CMA exam completers' educational reference prior to 1992. Many are still unidentified. Colleges and universities may be able to more accurately

TABLE 2—Frequencies of Calendar-Year 2002 CFM Examination Completers and School Rankings Increase

| Number of 2002 CFM Exam Completers | Number of Schools Represented | Average Ranking Improvement (Positions Gained)* |
|------------------------------------|-------------------------------|-------------------------------------------------|
| 1 | 169 | 30.3 |
| 2 | 41 | 41.2 |
| 3 | 11 | 27.8 |
| 4 | 3 | 2.7 |
| 5 | 1 | — |

*Excludes the 66 schools that had their first CFM exam completer in 2002.

reflect their historical support of the CMA and current support of the CFM program by encouraging alumni to verify their educational credentials in the ICMA records. Individuals who received their certification prior to 1992 should send their educational information, including name, Social Security number or IMA member number, and the name and location of their college/university (to distinguish between colleges and universities with the same name and initials) by mail to: ICMA, CMA/CFM Data Update, 10 Paragon Drive, Montvale NJ 07645; by fax to (201) 573-8439; or by e-mail to icma@imanet.org. ■

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[NEWS] *cont'd from p. 19*

with more than \$5 billion in annual revenue, 23% in companies with revenue of \$1 billion to \$5 billion, 22% between \$251 million and \$999 million, and 30% with revenue of \$250 million or less. To find out more about the survey and download the findings, visit www.oversightsystems.com/newspress/survey.pdf. ■

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[FASB] *cont'd from p. 19*

and employee share purchase plans. It replaces SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees." To download a copy of the Statement, visit the FASB's website at www.fasb.org. ■

[PERSPECTIVES] *cont'd from p. 6*

generalists, whatever brand name they carry, without a fight. The impact of bad management accounting initiatives by accounting generalists is fairly obvious—the high percentage of failed or unsustainable activity-based costing (ABC) projects, the wide use of unsophisticated traditional standard costing, the underuse of costing and performance measurement modules of installed enterprise resource planning (ERP) software, and the resistance from finance departments to many strategic cost management techniques that support operations but create complexities for auditing and financial reporting such as Theory of Constraints, lean techniques, capacity management, and target costing. Management accounting is an important discipline that has suffered severely in the hands of inappropriately qualified accountants. Over the next months and years, you will see IMA focus aggressively on differentiating the role and skills of the management accountant from the pervasive "generalism" that has dominated the accounting profession.

Please let me know your thoughts. Contact me at lwhite@imanet.org. ■

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[XBRL] *cont'd from p. 58*

- ◆ An expectation that the accuracy, timeliness, reliability, and transparency of a company's financial information will garner the recognition of stakeholders;
- ◆ Change is a necessary component for improving the organization;
- ◆ The critical need for sustainability (this is not a one-time issue);
- ◆ A financial commitment to strong governance; and
- ◆ A guarantee for open communication.

(Source: <http://www.deloitte.com/>

[dt/section_node/0%2C1042%2Csid%25253D61683%2C00.html](http://www.deloitte.com/dtt/section_node/0%2C1042%2Csid%25253D61683%2C00.html))

Smart companies like Rivet Software know that building financial integrity management into their software will not only enable compliance with mandated regulations, but it will enable a new level of performance for the internal and external financial reporting process. With the help of XBRL touching all aspects of financial data, companies will be able to turn compliance into outstanding performance. ■

Rob Blake, VP of Product Management at Rivet Software, will be speaking at the IMA's 2005 Annual Conference in Boston, June 18-22, 2005.

Neal Hannon is an accounting lecturer for the Barney School of Business at the University of Hartford. Author of two books and numerous articles, he is the IMA's representative to the XBRL International consortium. Hannon is a former member of the XBRL-US steering committee and former chair of XBRL International's education Committee.

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[LETTERS] *cont'd from p. 20*

value of the article.

The code of ethics of all the professional accounting organizations (AICPA, FEI, IIA, IMA) lack a strong whistleblowers clause. As a former member of the IMA Committee on Ethics and a current member of the Tennessee Society of Certified Public Accountants' Committee on Professional Ethics, I continue to promote the inclusion of the following whistleblowers clause in codes of ethics: "If the ethical conflict still exists after exhausting all levels of internal review, it may be appropriate to notify parties outside the organization regarding significant matters."

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