



*Message from the Chair*



# Moving Management Accounting Forward

BY LARRY WHITE, CMA, CFM, CPA, CGFM

**This is my last column as Chair of IMA, and I couldn't be more confident or excited about the direction IMA is moving to advance the profession of management accounting. IMA has great volunteer leaders in**

place with Carl Smith and then Bill Brower as incoming Chairs, the IMA Board of Directors has been reorganized to have greater impact and involvement, and President and CEO Paul Sharman is supported by a highly motivated, mission-focused IMA staff.

But all these people represent a population of about 200. The key to management accounting seizing its legitimate place in the accountancy profession is the nearly 70,000 of you! You need to articulate the message. You need to explain and advocate management accounting as a vital part of the accountancy profession—tell people that it uses an important and different set of skills from public accounting, auditing, tax, and even financial statement preparation. You need to ask for—no, demand—CMAs and CFMs or “equivalent experience and education from individuals holding other accounting and financial certifica-

tions” in your organizations.

Management accounting is about building quality decision-support, planning, and control processes over the value-creating operations inside organizations. Without strong internal processes and management, there is nothing for the capital markets to value or auditors to check. The space inside a company is the only place in the economy where sustainable value is created, so it should be the priority focus of financial professionals. The long-standing myopia with capital markets and the single business model captured by GAAP is reflective of a focus on the symptoms without recognizing the cause. The accounting profession's focus and expertise must be rebalanced all the way from academia to the CFO's office.

Over this past year, IMA has toiled diligently to develop a new position in the accounting market. Market research and branding work are nearly

complete. Soon you will start to see a new look and message in IMA information. CMAs, IMA recognizes its commitment to you: Certified Management Accountants will be branded as “Professionals Driving Business Performance!”—and that's just the start. Broader recognition of CMAs is the lynchpin to IMA's long-term success.

Also, research has been reinvigorated. IMA's new Research Centre of Excellence has brought previously unknown German cost accounting onto management accounting's center stage. This achievement is equivalent to discovering a lost civilization. Germany has a culture of controlling that has nearly nothing to do with financial statement presentation—it provides a perspective that promises new and exciting insights into the fundamental purpose of management accounting. Future research directions include the application of technology to cost and performance management and optimization of the internal control framework.

Much has been done, but much remains to be accomplished. The sense of excitement—a true sense of mission—among the IMA staff and the volunteer leadership is tangible.

Promoting and improving the recognition, credibility, and knowledge base of the profession of management accounting is a worthy and essential mission. Management accounting has been seriously misapplied by the accounting profession, and it's no wonder. Accountants typically have had only one or two courses in management accounting since colleges typically teach only two or three courses. The neglect and incompetent application of management accounting by the broader accounting profession astounds me, particularly as our subject matter is so vital to the improvement of organizations.

Please join IMA in the mission to end this situation now! Let's demand professionalism, let's rediscover and reinvigorate, let's demand competence. Let's bring management accounting to the forefront of the accountancy profession where it rightfully belongs!

Thank you for the thousands of positive e-mails (and the handful of negative ones) over the past year. It has truly been an honor to serve and, I hope, advance the profession of management accounting. I anticipate you will continue to hear from me in the future. I sincerely believe the accountancy profession is severely out of balance, and I am committed to putting it right.

Please continue to e-mail me at [lwhite@imanet.org](mailto:lwhite@imanet.org). ■