

New Tires for My Old Jeep

BY KEN M. BOZE, CMA, CFM, CPA

Why I finally decided to get my **CMA** and **CFM**

Three years ago—at age 50—I sat for and passed the CMA and CFM exams after a long career as a university professor. I had earned a CPA 25 years earlier, which I still keep active, and wondered what value the Certified Management Accountant and Certified Financial Manager designations could add if I decided to pursue a mid-life career change. My decision to sit for the exams was like my decision to get new tires for my old Jeep. Both would give me a chance to gain better control and to become more confident in my ability to handle rough and challenging conditions.

MY OLD JEEP

I hadn't sat for the exams earlier in my career because my biggest fear was that I wouldn't pass. Or, if I did, I would barely squeak by. After all, a teacher should score well. How would it look to my students if I didn't pass? And since so much of what is tested on the CMA and CFM exams is stuff I believed I would seldom use or have to look at, there

was a real possibility I would embarrass myself.

The years passed, I approached 50, and my Jeep approached 15. I kept debating about whether I should try for the certifications but never made the emotional commitment. Meanwhile, the Jeep's tires wore out. I loved that vehicle, but slick tires can be dangerous in icy conditions, in swamps, or on sandy beaches, and sometimes tires can look good even when they aren't. Then one day, while I was slip-sliding away on the ice in moderate traffic, it occurred to me that my career was similar to my Jeep. A good, old vehicle that was in reasonable shape, but I didn't have the confidence in the tires that I should have. Perhaps it was time to update—to take control again.

MY OLD CREDENTIALS

My previous credentials were much older than my balding tires. I had earned the CPA in Florida in 1977 and a Ph.D. in Arkansas in 1983. Both provided outside reassurances that I was competent at the time. But they were

old, and things change, including me.

More than 20 years had passed since I last had to prove my technical competency, and almost 20 years with the same employer can make you stale. Continuing Professional Education (CPE) courses could never really provide me with much feedback about competency because most are lectures with no exams. Plus, as a teacher at the highest levels, in my classes I can simply deemphasize material I don't like or don't understand well. After all, I write my own exams, design courses, and get to avoid topics and concepts I don't like or can't answer questions about.

In other words, the reviews and feedback at work would simply verify that I could please the customers and the bosses, but they provided absolutely no verification that I was still competent in the technical aspects of the management accounting profession. Student feedback focuses on your teaching skills and your performance helping them learn, not technical competency. Students are seldom qualified to say if a person is technically competent, but they do a great job of telling me where I differ from the book and if I upset or frustrate them.

Getting feedback from reviewers when I published articles made me feel less confident, not more, due to their zealous attempts to shoot down articles before granting their blessing to have them published. One editor at a good journal (not this one) told me they only publish articles they can't tear apart. My publications often seemed to happen in spite of how badly the reviewers said my writing was, not because of how great they said my discoveries and write-ups were.

THE PERCEIVED COSTS

The other reasons (besides fear of failure) that I hesitated to sit for the CMA and CFM exams were the perceived costs and rewards. The costs of sitting were obvious. They include the time and opportunity cost of preparing and sitting, lost income from not taking on consulting jobs or not focusing on my own company's growing operations with live seafood, and lost salary increases during my university career from not researching and publishing articles while I was studying for the exams.

But the real obstacle, as I saw it, was the paperwork to maintain the certifications. One of the major hassles in my life has been the unending number of forms and filings required to maintain my CPA in Florida. Another is filing CPE credits for a quarter of a century. When continuing professional education credits were introduced as I started my career, I favored mandatory CPE. Now I don't. No one has been in my life as much as the CPA

rules-enforcement people or nagged and threatened me as much (it seems) except the IRS, parking enforcement at work, and my mother. I didn't want to have to answer to another authority who was constantly making me prove that I was staying current and reminding me of the bad things that would happen to me if I didn't.

THE EXPECTED REWARDS

The expected rewards were harder to identify. Given the credentials I had already earned, what added value would the new certifications give me? What would they be worth *to me*?

The CMA and CFM were like new tires for my Jeep. I bought new tires to regain control over my vehicle in slippery conditions, and I always carry a spare in good condition, sometimes two when I travel the back roads of Alaska and the Yukon. I decided to try to obtain the two certifications for the same reasons: to regain control.

If I wanted to change jobs, they would provide a current outside verification that I was up to date and competent. So I pursued the certifications to increase my self-confidence, to increase control over my life and my career, and to increase others' confidence in me.

The big shock came when I studied the review materials. The subjects I had avoided for decades were still there! Shucks! My focus had become very narrow. To study, I had to develop more breadth because I had to look at the areas I seldom visited. The experience made me look up and out and reminded me how much is out there in the world to discover and explore. It reminded me how much changes in 20 years and how much never changes. And it reminded me how little is in our thickest textbooks, how many sophisticated materials are available that we can use and apply, and how much I needed to beef up my own courses and my own life.

THE ACTUAL REWARDS

I felt fantastic when I learned that I had passed the exams. The big rewards right away were the good feeling of having succeeded at something that was as hard and as challenging as any other credential I have earned and the renewed confidence that passing the exams gave me. I didn't think my salary would increase as a result of passing the exams because my other credentials (and hard work, successes, and failures) had already established that. What drives salary for academics is your time in rank and where your numerous publications appear. If I wanted to increase my salary, I would have to publish more. The other way to earn more is to change jobs whenever

demand for teachers increases. Universities will pay a great deal to hire a new professor but will seldom raise the pay of those they have to keep them, which meant that I might have fallen behind in 20 years.

I had never fully appreciated the value of trophies before passing the exams, and I had never actively sought them. Still, I have a few I look at occasionally to remind me that I can and do win when I get serious—the CMA and CFM, for instance, although I didn't seek them for that purpose. While some people seek trophies so they can display their successes to others, the ones I keep remind me I can still succeed even though the tides always turn and the waters frequently become rough.

I also still notice subtle changes in how others treat me. Most accounting or experienced business people nod a slight approval when hearing about the certifications without making a grand deal of it. Many nonbusiness types ask, "What's that?" when I mention CMA, so I tell them it's like getting another CPA but that it covers material that's important for accountants working inside organizations to know. My son wondered why the Country Music Association (his CMA) would give me a certificate.

I feel much more a part of IMA now than I did in the past even though I have been a member for years and have served on our local chapter's board of directors twice. Passing made me feel like a complete and whole IMA member instead of a CPA hanger-on. Plus, I gained a better respect for the management accounting and financial management functions. The CPA exam was hard, but it was mainly memorizing rules and procedures to be applied to history. The CMA and CFM exams were harder because they were more forward looking, incorporated more analytical techniques, and made me think more about the consequences and possibilities of decisions.

DON'T WAIT

I'm glad I finally pursued the CMA and CFM. My scores were good enough that I could tell people and not be embarrassed. The cost wasn't so bad, although it seemed like a very large mountain at first. It did take a year of my life to study and review, but I'm always doing that. I just focused on different topics than I would have without the exams. The hardest part was looking at information that didn't excite me and maintaining the discipline to study so much material for such a long time. A review course is excellent for that kind of study—outside motivation and groups plowing through the volumes of material together.

Even though I waited to earn the certifications, I had always advocated the CMA as an accounting credential

for those who didn't want to be auditors their entire career. I saw it as a good certification that would provide most, if not all, of the benefits the CPA provides but at a much lower cost. I'm sure the CPA still has much value in the public's eyes, even after the accounting scandals of late. But I wonder when it will become a national or international certification, as the CMA is, instead of the 54 different sets of rules for CPAs (54 jurisdictions issue CPA certificates). Truth is, when an employer hires a CPA, they have no way of knowing exactly what they are getting, whereas with the CMA and CFM the requirements are the same for all.

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than, the CPA as a credential of competence for active business people who have to be forward looking and make money. The rear-view mirror of financial accounting and the verification function of auditors are great protection for absentee investors and creditors and are as important as rear-view mirrors on a Jeep. But you can't run a business with hindsight alone. When I'm driving my Jeep, I usually spend more time looking forward than backward, seeing where I am going, not where I have been.

The CMA's and CFM's forward-looking nature, breadth of knowledge covered, and appreciation of things beyond GAAP remind us that there's so much more to business success than just following rules and verifying that reports are prepared properly. Passing the exams and earning the certifications confirmed what I suspected all along: I am current and competent, and my self-confidence greatly increased with that verification by the IMA.

THREE YEARS LATER

I'm still at the university, and I still have the old Jeep, but I did buy a Land Rover this summer, too. I plan to go for 25 years at this job now, retire, then probably find another university teaching job to stay active after a couple of years sailing.

Our seafood company didn't make it because our

assets froze (literally) when the warehouse roof was torn off during a winter storm with below-zero temperatures and 108 mph winds. I still keep my Florida CPA active in case I want to return and work there, but the heat and storms make Alaskan summers seem like a paradise. I am now refocused on publishing, the “golden egg” of academics, and it appears to be working again.

My greatest disappointment after passing the exams has been not convincing as many people as I would like to go for the CMA and CFM. I don't believe the CMA will replace the CPA since the CPA is advertised on signs and in phone books and is discussed in the popular press while the CMA isn't as often. Besides, there's room for both. I also accept that few outside the management accounting profession understand the CMA or CFM, just as I don't understand the fine points of the credentials of other professions very well. I don't believe the CMA should be viewed as a substitute for any other credential—it should be seen as a valuable, independent confirmation of a separate set of competencies. Like the many other facets of my career and personality, the CMA has provided me with many subtle, indirect advantages. Maybe it could do the same for you. ■

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