

Message from the Chair



Complexity

BY WILLIAM BROWER, CMA, CFM

Do you believe that every year is more challenging than the previous one? Does it seem like the goals set for the year have more stretch in them than the previous year? Do you seem to be working harder than ever? Is it the increase in the speed of communication caused by e-mail, voice mail, mobile phones, and PDAs that is

making work a 24/7 on-call responsibility? Is it the software that must be constantly updated and modified to meet the changing demands of the business? Or is it the increasing complexity of regulations that impact the business world today that is making the work environment a more challenging environment? You might say “yes” to all of the above questions and undoubtedly add more to the list that are impacting business and your ability to get things accomplished.

On the other hand, I like to think that these challenges are what makes the day interesting and that they provide the opportunity for management accountants to demonstrate their skills and capabilities. After all, we are trained to be analytical, logical, and efficient. Our skills include the capability to look at the complex-

ity of tasks, identify the weak links in the process, and create solutions that will yield improvements in time or provide better information for decision making. Many management accountants are in position to be leaders, helping to set the tone and the agenda for the business. Are you in position to help set the targets and goals for your organization? You should be, because as a management accountant you have the knowledge and perspective about what impacts every aspect of the business from manufacturing to distribution, sales, marketing, and even product development. If you understand the needs of the customers that you are serving and have an appreciation of how each function can meet those needs, then you are in position to help each function set their strategies, deal with the complexities that they face, and

assist the successful achievement of their goals.

But what about the complexities that face accounting and finance? Interestingly, there does seem to be a concern that the financial reporting regulations are too complex. Securities & Exchange Commission Chairman Christopher Cox as recently as last month reiterated the need to study and address the issue of complexity. This can't come too soon. I recently had a conversation with someone who is the audit committee chairman of two NYSE-listed companies. I can tell you that he is concerned that something will fall through the cracks and his companies will be at risk because of the complexity of the regulations. For example, he cited Statement of Financial Accounting Standards (SFAS) No. 133, “Accounting for Derivative Instruments and Hedging Activities,” as being almost impossible to follow, and he said he has read it twice trying to understand all the requirements. This presents a great opportunity for IMA to participate in various discussions about regulatory issues and to address the complexity issue. In fact, IMA is now actively pursuing the issue of com-

plexity in Washington, D.C., and, through the IMA, you will have a seat at the table.

What do you think? Please share your thoughts with me at bbrower@imanet.org.

By the way, many of the issues facing management accounting professionals will be addressed at IMA's 88th Annual Conference and Exposition June 16-20, 2007, in Phoenix, Ariz. I hope to meet many of you there. For a quick overview of the Conference events, you can visit www.imaconference.org. ■