

Message from the Chair



Tough Times, Tougher People

**BY FREDERICK E. SCHEA,
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Like most Americans, I watched the presidential election last month with a good measure of anxiety and expectation: anxiety for what the outcome would be and expectation for what our new President-elect would pledge to accomplish. Political affiliations aside, most Americans recognize that it's an important time in our

nation's history, and the challenges that lie ahead can prove the making—or the unmaking—of our next leader.

One of the most significant challenges facing this next administration, of course, is the economy, and President-elect Obama has certainly identified this issue as a top priority for when he assumes office in January.

It's tempting to think that the ability to meet this challenge lies within the halls of Congress or even with the corporate giants that account for a good portion of our gross domestic product (GDP). But if the current crisis has taught us anything, it's that the world is shrinking, shrinking in a sense that our individual actions have a profound ripple effect across the economic spectrum. Just ask a local electrician, as I did recently, how his business is doing, and you'll likely find that times are tough: The

stagnating housing market and the slowdown of banks lending to each other and to businesses, among other variables, translate into eroding consumer confidence and curtailed consumer spending. That means less work for all of us, including that electrician.

These are indeed crazy times, and they remind me of one of my favorite lines from a popular film and Broadway show, "Hairspray." Speaking to a group of young folks confronting segregation, music icon and community leader Motormouth Mabel says, "We can't get lazy when things are crazy."

Not being a "lazy" management accountant means that we can respond to this situation by making the most of our specialized perspective and training.

First, we can help to temper the

need for cost control with sensitivity to employees. Layoffs and firings might seem the easiest solution to a cash crunch, but they're often not the best—especially because eliminating people's income means they have less money to spend and put back into the economy. Let's try to mitigate job losses and propose other, creative ways for cutting costs: for example, reducing employees' hours rather than initiating layoffs, or proposing job sharing.

Second, we can use these trying times as a source of opportunity, perhaps by finding ways within our own companies to increase revenues or by acquiring other entities that are struggling. Buying another company can mean saving the jobs of at least some of the people who work there; it also means boosting your own enterprise's strategic positioning. As management accountants, we can bring our unique expertise to bear by helping to identify and evaluate acquisitions that make the wisest strategic sense.

Finally, and perhaps most importantly, we can continue to act ethically. When times are tough, people remember what you did for them.

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That means treating your suppliers, employees, and customers with appreciation and respect. Keep your relationships solid during this difficult period, and, when the upswing occurs, you'll be glad that you did.

I believe I join many of us in wishing President-elect Obama the best and extending our support as he becomes our 44th President. It's a tough time, yes, but I believe we are tougher people.

I welcome your comments at fschea@imanet.org. ■