

By Jeffrey C. Thomson, CMA



Let's Talk about the CPA

Although the CMA® program has experienced significant growth, especially in the last couple of years, many employers still need to see how well the certification fits with their job requirements.

Dear IMA Member:

Perhaps you may be thinking that IMA's president and CEO had holidays that were too festive, or that our award-winning magazine had a typo, or even both? Did we mean to say "CMA" in the title of this piece?

In the spirit of having "fierce conversations," or respectfully addressing hot issues head-on, let's converse.

The CMA (Certified Management Accountant) exam has been a rock-solid exam from a content perspective since its inception in 1972. The exam content is governed by the Institute of Certified Management Accountants (ICMA) from the staff side and by the Board of Regents from the volunteer side. (ICMA is an affiliate of IMA and has a 501(c)(6) tax-exempt status.)

The CMA program has enjoyed significant growth during the past two years or more, even before the new two-part exam was announced. Much of this growth has come from the Middle East and Asia/Pacific regions. Also, the

ICMA has awarded more than 33,000 CMA certificates since the program began. More CMAs means that more careers, organizations, economies, and societies are enriched, simply because, as trusted business advisors, CMAs have that unique blend of business analytical and leadership skills to protect stakeholders while improving business performance. So what is the "hot issue" or problem that I mentioned?

I'm going to focus on the U.S. (North America region) in this conversation. The "problem" is simple. In the United States, "accounting" is perceived as "financial accounting," and the Certified Public Accountant (CPA) is perceived as the premier certification for financial accounting. The CPA is a state license and a requirement to practice.

How does this affect the preparation of students to enter the profession? The curriculum of most undergraduate accounting programs at best might consist of one or two courses in what we would all consider "managerial accounting" (the work performed in business). On campus, the Big 4, state CPA societies, and the American Institute of Certified Public Accountants (AICPA) have big

bucks to spend to offer internships, scholarships, and a *collective* voice for the profession. Can there be a collective voice for managerial accounting, given that it will come primarily from companies (demand side), which, by their inherent nature, are competitive?

Despite these challenges, there are plenty of opportunities to promote and grow the CMA program. In this new year, we need to promote awareness, choice, and penetration of our great certification.

But one thing to remember as you think about certification is don't view the CPA as a "competitor" of the CMA. The CPA focuses on financial accounting, which is an important element of the accountant's value chain. The focus of financial accounting is tax, audit, compliance, and attestation. Although financial accounting isn't focused on wealth creation, it's critical that we provide investors and other stakeholders with financials that are trustworthy, transparent, and reliable. The CMA as a global passport *does* focus on wealth creation with an emphasis on financial planning and analysis, risk management, strategic costing, and more.

On the student/academic side

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Sincerely, Jeff Thomson, CMA
IMA President and CEO

(supply), we regularly convey the message that, on average, three out of every four accounting students work for two or three years at an accounting firm, then go to work inside a company or other organization. Students should plan for their first five years in the workforce and seek both certifications, if possible. They can take the CMA exam while they are still in school, which is a great way for them to stand out from their competition.

On the company side (demand), studies of global CFOs by the Big 4, the Wharton School, and *The Economist* agree on this: There is a dire need inside organizations for influencers and leaders with capabilities in financial planning and analysis, risk management, strategic cost management, and more. Sound familiar? We need to create viral awareness of IMA's world-class certification, both in corporate America and in universities from coast to coast.

For those new professionals who go to work in industry right after graduation, the CMA is critical. For those who take the audit or CPA track, the CMA is a valuable complement and differentiator.

Here is where we need your help. This is a call to action for CMAs. We want you to spread the word on campus and to suggest to your employers that the CMA should be a desired certification for appropriate jobs. We at IMA Global are conceiving many ideas to spread the word from company to company and from coast to coast. As always, feel free to contact me with your thoughts at jthomson@imanet.org.