

A Role Of Relevance



Business Today speaks with CIMA Global President, Aubrey Joachim, an intellectual who believes that knowledge is power only when it is shared with others and that ‘relevance’ is key to what one disseminates as knowledge.

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Photography by Menaka Aravinda

You are the current CIMA global president. What do you plan to bring into this role?

When I started off with the presidency I was asked the same question. Every

president has a theme for his or her year and coming up to the event before I was elected in June of last year, I was asked the question, “what will you bring into this role?” My immediate answer to that question was just one word; ‘relevance’. To me the word ‘relevance’ is a very interesting word. It is a perpetual word, it never gets outdated because you are always relevant to circumstances, the environment, time, audiences... and it puts a significant challenge on CIMA to fit in with all of these situations.

If you go back to the history when CIMA was first formed it was five British industrialists that also included Lord Leverhulme, one of the founding fathers of Unilever, who 90 years ago, thought that we need a different kind of accountant. Our view of an accountant would be someone who records numbers, does debits and credits, prepares P&L’s and balance sheets. However, Lord Leverhulme wanted to see an ‘accountant’ that adds more value to a business, who works within a business, helps a business understand what its goals and outcomes are, and provides decision-making information, not after the end of an accounting period, not in hindsight but with foresight. That is how CIMA came into being, management accountants came into being out of a need for being relevant and CIMA has fulfilled that need all along.

CIMA Is One Of The Few Bodies That Continuously Revises And Updates Its Syllabus Structure - The Content Of It. Why? It’s Because We Believe That Management Accounting Is A Dynamic Body Of Learning. It’s Constantly Changing.

In today’s context, especially with what the world has been through in the last two years and what it’s facing currently, that need for relevance is stronger than ever. CIMA as a body, having multiple customers and many people think that our students and our members are our only customers, however, there’s more to it. Our customers are also the people who employ our students and members. With this in mind we have to constantly create a brand of accountants who are wanted by businesses, which is why we are seeing a shift across the world from the relative decline in the regulatory accounting aspect of it, or the historical accountant, to someone who is adding value and contributing to wealth creation. That to me is the challenge, so my theme for the year... being relevant.

If I see a qualified CIMA member in a number crunching role ten or twelve years after he/she is qualified, I’d be disappointed. That is because you’ve not moved

ahead; you've not changed the business and you've not moved into a different and more challenging role and value adding. A question I always ask management accountants is if they have a hard and safety shoes in their office. If you do not have that, how would you know what's going on in a business – how would you know what's going on a factory floor or construction site?

I also put a slight shift on this by challenging CIMA as an organisation itself. I would tell the CEO and his team, "You have to be relevant as well as an organisation. You have to be smart, efficient and current." My vision for CIMA is that it becomes stronger, more relevant and a dynamic body in the current market.

Your career began in Sri Lanka. Could you give us a little brief about this?

As I said before, CIMA came into being because of Lord Leverhulme of Unilever. I had studied at St Joseph's College Colombo as well as St. Peter's College Colombo and in 1973, when I had finished my A' levels, funnily enough, I found a job at Unilever's finance department.

From the time I walked into that office it was my fascination to become a management accountant and Lever's provided me a solid grounding in that field. During childhood I had always wanted to become an engineer. However, now interestingly I tell people that I'm a 'financial engineer'. I manage to engineer things and make something out of nothing, which is very much the role of an accountant. This is why Management Accounting is a much more interesting area than any other aspect of the wide financial space.

I also went on to work in the garment manufacturing industry in Sri Lanka, thereafter, went to Dubai and worked with one of the largest oil and gas engineering companies in the world, Mcdermott International. While in Dubai I also managed part of their financial operations in Singapore and in 1991-after winning a CIMA Global Management Accounting competition, for which I was presented the award in London- I was transferred to their design engineering offices in London. In 1993 I migrated to Australia and now I live and work in Australia and again, wherever I have worked I've always sort out to work in the Management Accounting space rather than the regulatory or audit space. It always favoured my interests and apart from being involved with CIMA, I'm also on the Council of the International

Federation of Accountants (IFAC) where I'm vigorously pushing the CIMA and Management Accounting message.

Could you tell us about the fellowship status you acquired with CIMA.

A number of professional bodies have different tiers of membership, for example, at base level you have your student memberships, and in the case of CIMA, after completing the examinations, one has to prove the Practical Experience Required or PER, which will lead to an associate membership or ACMA. Thereafter, you would have to prove that you've been involved with much more senior work in the areas of strategy, influencing, directing, and so forth and that is when you achieve the 'fellow' status of membership, which is the most senior position. The transition from ACMA to FCMA is not automatic as in the case of other professional accounting bodies. At CIMA we like to maintain our 'Gold Standard'.

In my case, by the time I had completed my exams, it showed that I had had enough of experience in Management Accounting, decision-making, strategy and all those aspects that I never had the chance to be an ACMA, at any point in time. I became a direct 'fellow'.

Any organisation's standing is looked at by the number of senior positions presented, much like the way you would look at the prestige and standing of a university where you would ask the question, "How many PhD's have you produced?" That is what a fellowship status is, it is a higher level of acceptance and standing in the institute.

You are the first person outside of the UK to become CIMA's Global President. How do you feel about this?

I feel extremely proud about it. It is something that speaks volumes for the institutes changing demographically, in terms of acceptance, and also for the fact that I've been able to prove myself within a sort of club, that previously would not have thought it fit to have someone like myself, because it is a process of election by 52 fellow council members, 90 percent of whom would be from Western countries. To be accepted by them is something to be proud of, as it was not something I had expected in my lifetime. It is not a position that you can demand for, you may aspire for it, however at the end of the day, it will only come to you if

you're deserving. Personally I would like to attribute my success to my Sri Lankan roots, the core values that were taught to me by my parents, schools and teachers. My success is something that I would like dedicate to all Sri Lankans.

What principles of management does an experienced & distinguished individual such as yourself stand by?

Some of the most important aspects that people like myself and other people in the finance profession should stand by are 'governance' and 'ethics'.

CIMA members are very focused on the ethical aspect. A few weeks ago, we produced a new document on ethics on where we thought the finance profession should be. I'm often asked by various forums, whether the accountants had anything to do with the recent happenings in the last two years. So I tell them that its not what the accountants did, but it's what they didn't do.

Accountants failed to guide their organisations, boards and the directors on how to handle their finances appropriately, during times of crisis. As accountants we are in a privileged position of knowledge and we have to use that knowledge in an ethical manner. Therefore when people think of ethics and governance, it's not only about preventing fraud. As management accountants especially, our ethical spine should give us the courage to tell an organization when it's having flawed strategies or when it doesn't have a vision. To me, those are ethical issues as well, from that aspect.

If I were to answer your question in one word, I would say that it is the 'ethics' that is currently the most important value or principle that I would uphold.

How has CIMA contributed to facilitating the learning process of Management Accounting in general?

We have been a relevant body from the start. We want to be accountants who add value to what we do in all aspects of accounting procedure.

CIMA is one of the few bodies that continuously revises and updates its syllabus

structure – the content of it. Why? It's because we believe that Management Accounting is a dynamic body of learning. It's constantly changing.

We have begun on an area called Environmental Management Accounting, because we feel that it's the next stage. One of the leading universities in the UK, the University of Bath, constantly researches nearly 12,000 members, employers, professions, and students, mainly to understand what they require from a good finance professional and every four to five years our definition of Management Accounting changes or keeps expanding. Therefore, we incorporate this information into what we teach our new members.

Our next mission is to watch over the members who are already qualified. CIMA is very strong on our Continuing Professional Development (CPD). We encourage our members to always be current because there's no point in having passed your exams ten – fifteen years ago if you don't keep updating yourself. It is as bad as visiting a doctor who had passed his exams in 1940, and didn't keep himself updated with the latest methods and techniques. I tell my members, why would a company have you advise them if you don't know about the current situations, trends or market.

The other very interesting aspect is CIMA's global qualification. You can take a CIMA member any where in the world, they would have done the same exams, marked under the same conditions, studied the same syllabus and had the same competencies. So when we get a member from anywhere in the world, they would have had the same ubiquitous skills. We consider it to be our 'gold standard' in Management Accounting.

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What would you say are the most essential skills that accountants of today should possess?

Many accountants are quite content in gaining all the technical skills. However, the challenge lies in the gaining the soft skills.

Recently I read something very interesting in the context of organisations; that 'knowledge is power'. However, I beg to differ, because knowledge, until it can be disseminated and shared, is of no use to anyone. Me knowing the best of anything doesn't add value to anything, until I can share it.

In the past, we had accountants who knew everything but didn't share it with others, which is why the accounting sector was always seen as a closed profession, almost a secret sect. Whereas now you need people who shouldn't only understand a set of numbers, but be able to interpret it to managers and stakeholders of the organisation. It's not just the capturing and the recording of data, it is also about the interpretation, presentation and decision-making capabilities. These are added competencies we are looking for.

With the loss of jobs globally that we've been faced with during recent times, how has CIMA contributed to equipping students with what the competitive world requires?

CIMA equips a person to be able to do anything. I've met many CIMA qualified accountants, who've constantly chosen to walk away from an accounting job and get into other interesting areas in the job market.

I knew a person who had a very good post at an Australian telecom company and then one day she comes and tells me that she has left her job and that she wanted to start her own business in designing clothing and today she's doing extremely well at this new business. It was the same story with another friend of mine that switched his career path from accounting to tea production. They were both CIMA graduates and they were able to use the knowledge they gained from CIMA to apply it into something different.

So often what we say is, you don't need to feel that you are without a set of transportable skills, and that's the value we use. Especially in Management Accounting, the skills are transportable. In regulatory finance, in the tax space, in audit space you're still governed by demographic rules. We still have different demographics, which have to have things different. But Management Accounting is a ubiquitous language. I run courses in Tehran, Iran and

90% wouldn't understand English, they listened to me through an interpreter, a dynamic interpreter. The questions that come up to me right after, just showed me their level of understanding is huge, so I often use this as one of my quotations, I can go and talk the language of Management Accounting in sign language and it'll still be understood. Irrespective of where you are there's one way to run a business in an optimum way and that is to understand strategy that can be conducted in any shape or form.

Management accountants – they never need to feel threatened about loss of jobs or a loss of things to do because they're thinking lies outside the box and there will always be opportunities for them.

With several institutions around the world involved with CIMA, how are standards maintained?

There are 100s if not 1000s of institutions conducting CIMA classes, but there are only some of them that are accredited by CIMA. Students should be looking for CIMA accredited tuition providers. Accredited training partners is what we call them and the way that is done is their teaching methods are looked at, class sizes, lecturer to student ratios, KPIs of performance – are all looked at in order to ascertain their suitability, and might I add that Sri Lankan lecturers, over the last few years, have been unanimously carrying away the CIMA global awards for the best tutors of the year. I have been a judge on that for the last two years and the innovation I see coming from our Sri Lankan lecturers is unbelievable. They are now in to the next generation, using all the technology available to teach their students. That is how we maintain that quality.

CIMA has become very popular in Sri Lanka, why do you think this is?

We are increasingly seeing the growth of Management Accounting and the desire for Management Accounting is also increasing. As I've mentioned before, it's a very interesting area, a dynamic area. It's about learning leading edge management tools.

When you are dealing with an organisation, especially in the area of strategy,

decision-making, performance management – you have to look at things and interpret it. You have to be very cognisant of what's happening. You're not only looking at the past, but the bigger challenge is for us to be looking at, and knowing what's happening in the future.

Here is an opportunity of being a leader and guiding the organisation in the way it moves forward, I feel that this is the attraction. There has been a transformation in the finance function and the days of controlling are gone and now it is time for partnering. It's not the traditional pinstripe suits, round glasses, crunching numbers, but it's about being out there... that is the attraction for students today.

What was the reason for your visit to Sri Lanka?

CIMA Presidents always visit our major markets and Sri Lanka is certainly the second largest CIMA Market outside of the UK. In addition, being of Sri Lankan origin, it would have been a pity if I didn't come here to celebrate my success. My former schools St. Joseph's College and St. Peter's College felicitated me, where I was able to share my success with, and hopefully inspire and influence young students. I am not the first Sri Lankan to achieve global recognition and I certainly will not be the last.

Future plans?

I feel that I would have made several changes in CIMA that would be remembered. Whenever I've acquired a role in an organisation it has never been the same after I've left that role. To me change is of paramount importance in the world we live in. I have no doubt that CIMA will grow from strength to strength locally here in Sri Lanka and of course globally. Many organisations may try to copy and emulate CIMA but they will never be equal. My vision is to see us retain that prestige position.

Any final thoughts?

I'd like to think that I'm part of a story and I'm sure that there will be presidents who will follow, with even more innovative ideas to share. I hope every CIMA

member can learn from what I've shared. My final advice to all Sri Lankans is that there is no place you cannot reach on the global stage – just have the courage and confidence to reach out!

