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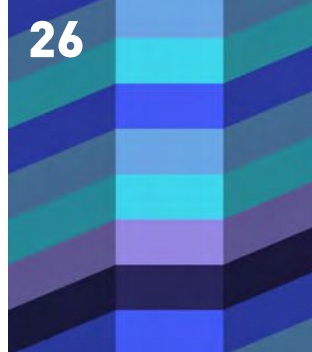
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THE VIEW FROM THE PRESIDENT

MELANIE JANINE KANAKA, FCMA, CGMA

During my AGM address as CIMA president in June 2022, and in my first *FM* column as your president, I set out my platform: “Step forward and lean in.” I called on the profession to take up its leadership role — to demonstrate the immense value that management accounting provides around the world. In this last *FM* column as CIMA president and co-chair of the Association, I am proud to say our profession has risen to this challenge over and beyond expectation.

There were three areas where I wanted the profession to make progress: becoming trusted partners; helping others grow; and fostering diversity, equity, and inclusion. We have moved forward on all of these, at a time when the world was just recovering from a global pandemic and transiting into a global recession. In what has been a tough and challenging 12 months for many, this progress is indeed something to celebrate.

Becoming trusted partners

The cornerstone of our profession is trust, and it is also the key to our future. This is why it is absolutely essential that the accounting and finance profession takes full ownership of the sustainability agenda. If we do not step forward, then quality, assurance, integrity, and standards in sustainability reporting may suffer and the public interest will certainly be undermined.

Over the past year AICPA & CIMA have made good progress, particularly in the area of ESG. As thought leaders, we continued to work with IFAC and released a joint benchmarking study, *The State of Play: Sustainability Disclosure & Assurance*. To upskill the profession, we launched our [Fundamentals of ESG Certificate](#) and will roll out an executive education programme with the University of Oxford Saïd Business School this year. We took an active role in helping shape new regulations and standards, and we were the inaugural sponsor of the IFRS Sustainability Symposium.

Helping others grow

During my year as president, we gave great focus to bringing on highly talented new candidates and young



Celebrating our progress

‘There were three areas where I wanted the profession to make progress.’

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professionals entering the profession and providing them the skills they need to succeed. The continued roll-out of the CGMA Finance Leadership Program across the world has been a great success, including in the UK where we had a much stronger response than expected.

We also supported our candidates and early-career professionals to acquire the soft skills they need to become well-rounded business, accounting, and finance professionals through our mentoring schemes in Africa, Europe, and Asia and through the career webinar programme through the [AICPA & CIMA Global Career Hub](#).

Fostering diversity, equity, and inclusion

I firmly believe that the future of the profession depends on being able to attract and retain the best and brightest talent, regardless of their gender, ethnicity, beliefs, geography, or socio-economic background.

During the past year we have worked hard all around the world to push the profession to become more inclusive. We expanded attendance at the Women’s Global Leadership Summit in Australasia. We organised the CFO Strategy &

Innovation Summit: Creating Value for a Sustainable Future in Warsaw. Additionally, we successfully launched the Fundamentals of ESG Certificate in South Africa and Sri Lanka.

These are just a few highlights that I can point to. For me, it has been a great privilege to have served you as the 89th CIMA president and as Association co-chair at such a pivotal time. Thank you all for your support and continued passion for the profession. I am proud of how far we have come, but I know that we can and will do more in years to come. I will continue to encourage everyone in the profession to “step forward and lean in”, and I look forward to working with the new CIMA president over the coming year, continuing to serve the Institute in my capacity as your immediate past president.

My very best wishes on your onward professional and personal journey.



Staying in front

By Andrew Harding, FCMA, CGMA

Over the course of my career, I have witnessed seismic changes in the accounting and finance profession. The most obvious is technological. The power of digital communications has revolutionised the workplace, and that revolution has much further to run.

However, technology is not the only force that is changing the world we work in. The global battle for sustainability has introduced a new dimension to commercial activity. So have social changes, with people expecting different things from their careers.

These forces are changing not just how we do our jobs but also the scope of our roles. To give one example, the drive towards sustainable business practice means the accounting and finance profession is fast becoming the custodian of sustainability data. This area is going to increase in importance over the course of the next few years as regulators mandate more reporting requirements, and that will result in significant changes to our remit and responsibilities.

Researching the latest business practice

The ongoing evolution of the commercial world poses a challenge for

AICPA & CIMA and our profession. We need to make sure our CGMA Professional Qualification and CPD or CPE resources reflect the most up-to-date skills and knowledge available. That is why the work of our research team with businesses around the world is so important. They work across all these diverse issues to ensure that the support we provide for our members is at the leading edge of practice.

One of the major projects our research team is currently undertaking is Future of Finance 2.0, which seeks to understand how the finance function is evolving and what this means for finance professionals.

The project will have many outputs, including the updated CGMA Competency Framework and a new talent report. This report includes discussions with finance leaders from across the private and public sectors. It examines the current state of talent retention, management, recruitment, and training, and it includes an interactive hiring tool to enable finance professionals responsible for recruitment to identify the best talent.

Putting insights into action

It is through work like this that we develop the next generation of CPD and

CPE. The [Transformative Skills Pack](#) is an excellent example of this work in action. It contains a set of “mindset” resources:

- The Strategic Thinking Mindset contains guidance for determining strategic approaches and applying the strategic planning and management process to vital business decisions.
- The Sustainable (ESG) Mindset will help you learn how the ESG landscape has developed and the key role finance professionals have to play.
- The Creative Thinking Mindset challenges us to rethink approaches to work and balance our core strengths with creativity.

Backed by the latest high-calibre research, we produce thought leadership and resources that help you, our members, acquire the skills and knowledge needed to be successful at the highest levels of the accounting and finance profession. They will also help you seize new opportunities in a rapidly changing world. ■

Andrew Harding, FCMA, CGMA, is chief executive—Management Accounting at AICPA & CIMA, together as the Association of International Certified Professional Accountants.



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How to develop as an informal leader and influencer

“Lateral” or “informal” leadership is fundamental to career success and applies to people at all levels in the organisational set-up.

By Raju Venkataraman, FCMA, CGMA



Informal leaders must, at all times, stay on top of their own wellbeing and manage their energy levels proactively to avoid burning out.

There's no time like the present to start building your stature and influence in the workplace. The business landscape is undergoing a steady breakdown of traditional hierarchies and functional silos, and the near ubiquitous emergence of matrixed structures, flat hierarchies, and outsourcing.

That means you don't have to be a senior executive to have influence.

As hierarchies and silos give way, the ability to influence others over whom we do not have formal authority is becoming highly valued and one of the keys to career success. This is what is also referred to as "lateral" or "informal" leadership. Much of the influencing needs to happen remotely and across time zones in today's global work environment.

To start building influence, look for opportunities to step up to informal leadership, which could arise out of any of the following situations:

- Being an early adopter of an emerging trend or new field of knowledge.
- Having a track record of connecting people across the business and building purposeful internal networks.
- Noticing a vacuum or void due to senior people not stepping up or some other contingency. For example, where a set of people are reluctant to take responsibility for making a decision (even though time is running out) and are waiting for superiors to give instructions.
- Where roles like that of a product manager or project manager are configured so that they "own" the product or project but they do not manage any of the people directly responsible for executing on the product.
- Being sponsored/supported by formal team leaders, who sometimes provide informal leadership opportunities in special projects to team members,

- based on their unique knowledge, abilities, and interests.
- Getting promoted to a new role — for example, becoming regional CFO from country CFO with the country CFOs now being your dotted line reports over whom you have no direct authority and yet you are accountable for their development and the results they produce.

Leadership opportunities abound every day both in the workplace and society in general. The question is whether you are willing to step into the role (see the chart, "How Often Do You Take on the Role of Being an Informal Leader?").

Strategies to lead informally

What sets informal leaders apart is that they do not wait for a formal position to start leading. They know that if they start to lead first and gain trust and influence, the formal position will come in due course, and, when it does, people will already be willing to follow them.

As you begin to understand the informal ways an organisation works, reach out to and build rapport with the stakeholders and influencers for the issue at hand.

Rapport building and friendly body language play a big part in gaining influence, but remote and hybrid working takes away the subtle communication cues and emotional connection that come from face-to-face conversations.

Further, as Nick Morgan, author of *Power Cues*, describes, it has never been harder to influence others because of the shorter attention spans brought on by the information overload of the digital age. And yet, now more than ever, it's important to be able to command influence because of the increased pressure to get results.

So how do we do that? Here are some strategies from my own experience as a corporate team member and leader and then as a leadership coach, to become successful in informal leadership situations, whether in a physical office or a remote setting.

Understand the informal setup

Young executives are often focused on work excellence and impressing their superiors. While that is important, take time to find out "how things happen" in your organisation. Whom do people go to for advice and support? And who usually tends to be the wet blanket bringing up

roadblocks to new ideas? You will get a sense of these from casual water-cooler conversations, not from the organisational charts. But what about when you can't bump into people in the hallway? In remote settings, be willing to be inquisitive (in a nonintrusive way) to understand what other teams are doing and who key stakeholders are and what they need.

Build connections and relationships

As you begin to understand the informal ways an organisation works, reach out to and build rapport with the stakeholders and influencers for the issue at hand. Think, what can you do to make those relationships stronger? For that current project on hand consider these tactics:

- Nurture a rapport with people whose support you will need to carry out tasks critical for the end result. One of the reasons people do things for you — support your idea or request or approve your budget — is that they like you and trust you.
- Suggest a one-on-one get-together, and have casual yet productive workplace conversations to overcome resistance from sceptics and naysayers.

- Take special care to listen to, understand, and address the concerns of those who are going to be affected by changes that your project will bring. For example, when you make changes, take time to explain the reasons, advantages, and the helpful solutions to colleagues who will be impacted by the changes. That will increase the acceptance rate for the proposed changes.
- In a hybrid or remote setting, take the lead to celebrate "group wins" via virtual socials.
- Resist the temptation to multitask during virtual meetings. Rapport building requires attention.

Build authentic coalitions

This is closely linked to relationship-building. Follow Stephen Covey's advice of "Seek first to understand, then to be understood." You can't influence without a solid network of allies. Seek out key team members and their influencers, meet with them ahead of formal team meetings, seek their views, and discuss your views with them. Getting most of them in alignment with your proposals or having already taken their concerns on board will make it harder for sceptics to oppose you in the meeting.

Develop reciprocity

You are more likely to get others' cooperation for your goals if you have a track record of being responsive to their requests and helping them with their agenda. As US author and motivational speaker Zig Ziglar put it, "You can have anything you want if you help enough other people get what they want."

Be a team player. In a virtual setting, it

How often do you take on the role of being an informal leader?

Consider the extent to which you lead informally without direct authority.

Never	Rarely	Sometimes	Often
I never even dream of being in the role of informal leader.	Generally, I shy away from assuming informal leadership roles.	I occasionally step into informal leadership roles.	I regularly step into leadership roles and lead informally.
Consider informal leadership — it is a key stepping stone to professional growth.	Be motivated to do more, as existing informal leaders will be the first potential candidates when positions open up.	Continue to make people aware of the value you add.	Take care of your wellbeing and take care not to over-commit.

Source: Author.

is easy to bury your head in your own priorities, but we need to be more intentional in seeking opportunities to be responsive and helpful to others and be the person who can be relied upon to help.

People are usually motivated by self-interest. When asking for something, always tell them how they can also benefit by giving you what you seek. Instead of asking: "Could you complete your time sheets and expense statements by tomorrow, please?" say: "Please submit your time sheets and expense statements by tomorrow so that I can ensure you are paid on time."

On a cautionary note, be mindful to prioritise and set realistic expectations so you don't over-commit. Informal leaders must, at all times, stay on top of their own wellbeing and manage their energy levels proactively to avoid burning out.

Use a light touch

Rather than rushing to roll out your proposals, ask people for ideas and seek their opinions on your ideas. Employ persuasion and negotiation, taking care to assuage hurt egos. Asking open-ended questions, which encourages dialogue, also helps. Another tactic is taking care not to overwhelm others with too many details — judge how much information the other person needs to veer around to your point of view and offer no more than that. The trick, really, is to think in terms of "inviting people aboard" rather than "getting them on board".

Lead by example: Listen, empathise, motivate, and inspire

Do more, talk less. Build your reputation for being a doer, for making things happen. Do your research, learn the facts, and be prepared to patiently address questions or challenges.

A much-overlooked skill for influencing others is the ability to truly listen, which is even more critical in the virtual setting. Video calls with cameras on are helpful to pick up nonverbal cues and make your own messaging more effective.

Good informal leaders gain trust and influence amongst their teammates not by showing off but by helping them out when things go wrong. You must balance pushing people to stretch beyond their comfort zone with listening to their fears and feedback. A high degree of empathy is important for success in influencing others.

LEARNING RESOURCES



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Subjugate self-interest. Be willing to take a risk for a greater cause. Avoid behaviours that are perceived as coming out of self-interest, or else your credibility will get eroded. And sort critical needs versus preferences.

Be politically savvy

Last but not least, it helps to be organisationally savvy. Embrace and understand organisational/group dynamics to move teams and key initiatives forward. In addition, do not hesitate to authentically and credibly communicate your good work and that of your team, and stay alert to safeguard yourself from outliers and saboteurs.

Leading those outside your direct authority can be challenging and involves a journey of exploration and experimentation. However, executives and team members who adopt these strategies will be better prepared to lead informally when the opportunity comes along, giving

their own career a boost. While people will dutifully obey a person in authority, they'll passionately follow a leader of influence.

So, bring to mind a person you are currently trying to influence at work. Which of the above methods do you believe will be most appropriate for that person in the given situation?

And for the formal leaders who are reading this: Find your informal leaders and mentor and nurture them, because they have the passion and confidence necessary for success and they are most likely going to be the formal leaders of the future. ■

Raju Venkataraman, FCMA, CGMA, is a credentialed leadership and career coach (PCC) and corporate trainer based in Singapore, serving clients worldwide. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.



Ways to deal with impostor syndrome

To defeat negative thoughts that you don't deserve your job, look at your track record, share your feelings, and tap into some impostor syndrome benefits.

By Rhymer Rigby

IMAGE BY BAQNA/GETTY IMAGES

It's wonderful — and very flattering — to be recruited as a star and have a new employer roll out the red carpet for you. Similarly, it's nice to get a big promotion within an organisation and have people expect great things of you. But what happens if you arrive in a new role and start to doubt yourself and your abilities? How do you deal with impostor syndrome, especially when

those around you have elevated expectations of you?

Get real

Those who find themselves in this position often start to believe that they should have all the answers. Don't. This is ridiculous and wholly unrealistic. Nobody is omniscient, and not knowing everything doesn't make you a failure.

Remember too that it's natural to be a bit nervous in a new environment. Try to convey confidence, but be willing to ask questions when you don't know. People will not think less of you for it.

Look at your past

Impostor syndrome involves the idea that you don't deserve the position you're in. So remind yourself why you

LEARNING RESOURCE

are there. First, you were recruited or promoted to do this job because you're talented and capable. Next, look back at your track record. Look at your accomplishments, your experience, your education, and your skills. You have earned your position, and your impressive CV is the reason why. There is no reason your career path shouldn't continue successfully.

Put yourself in the best possible position

Do everything you can to combat nerves. Preparation can make you feel more confident. If you're going to a meeting, read up on the topic beforehand. Arrive at meetings five minutes early. If you're meeting new people, look at their LinkedIn profiles (and their companies' if applicable). All of these things will be practically useful and give you a psychological boost.

Recognise that impostor syndrome isn't all bad

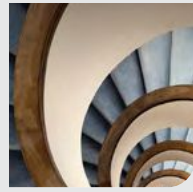
In her 2022 paper, *The Impostor Phenomenon Revisited: Examining the Relationship Between Workplace Impostor Thoughts and Interpersonal Effectiveness at Work*, Basima Tewfik, an assistant professor at MIT Sloan School of Management in the US, says that her research suggests impostor thoughts often have upsides. Those who have these thoughts tend to compensate by being good team players with strong interpersonal skills. "I do not find that this interpersonal benefit comes at the expense of competence-related outcomes," Tewfik explained.

Embrace not having all the answers

If we knew everything, we would never learn anything. By allowing yourself to admit you don't know it all, you open your mind to other sources of knowledge and fresh points of view. It's also quite liberating, as constantly having to be right can be very stressful. So say, "I don't know", and start asking questions and learning. If you're a leader and manage others, this has additional benefits. Leaders who admit they're not infallible are often more effective — and what is more, they empower those who work for them.

Let go of perfectionism

Many tasks only need to be done to a "good enough level". Striving for 100%



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and fixating on what you haven't done is a waste of time and demotivating. What is more, your colleagues and manager probably don't care about any of this — to the point where they may not even notice it. So don't sweat the small stuff and focus instead on what really matters.

'Fake it till you make it'

Confidence is an odd thing. Because it is self-reinforcing, faking it really can work. You do this by imagining that you are in control and that you can do it. Think about success, when you have succeeded, and picture what success in your present task will look like. Visualisation of success has long been a way that elite athletes train. Similarly, a recent study on the "facial feedback hypothesis" found that artificially adopting a smile can boost happiness, even if the effect is somewhat limited.

Share your feelings

Many individuals who feel like impostors become isolated and marginalised by their fear of failure. This can be particularly tough if you're new. If you have a trusted colleague, it's a good idea to share with them. They may well turn round and say, "Everyone else thinks you're great", or they might say they feel exactly the same way as you. But even if they reply that you need to work on some areas, sharing lessens the feelings of isolation. If you can't share with a colleague, talk to a friend or family member. They will not know your work situation as well, but they can be a useful source of support, and they will allow you to unburden yourself. They will also remind you that you are valued and respected in other areas and that your job does not define you.

Celebrate success

Those who suffer from impostor syndrome often dismiss their own successes. They are modest to a fault and

Resource

Article

["3 Ways to Defeat Impostor Syndrome — and Build Executive Presence"](#), *Journal of Accountancy*, 10 May 2021

become embarrassed, dislike praise, and seek to downplay their achievements. This is a mistake. You don't need to brag or boast, but you should acknowledge when you do well and thank others when they congratulate you. Not diminishing your achievements will help you remember the success, which in turn will help you believe that you are valuable and boost your confidence.

Accept failure

A big part of impostor syndrome is often a paralysing fear of failure. But failure isn't all bad. We often learn the most when we fail — and failing then bouncing backs builds resilience. Failing often shows us that "disasters" are nowhere near as bad as we've built them up to be. So, learn to acknowledge that things don't always go right. Take failure in your stride, say you'll learn from it, and share what you've learned. Remember too that a willingness to take risks is a big part of success. ■

Visit the [Global Career Hub](#) from AICPA & CIMA for help with finding a job or recruiting.

Rhymer Rigby is an FM magazine contributor and author of The Careerist: Over 100 Ways to Get Ahead at Work. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.

Finance best practice in moving to an employee ownership trust

Management accountants have a role before and after the transition to an employee ownership trust, including on valuation and timing, regulation, and communication.

By Anita Dennis

IMAGE BY WE ARE/GETTY IMAGES



Record-breaking profits. Heightened employee engagement. A clear path to the future. Those are the kinds of benefits reported by some companies that offer their workers a greater stake in the business. And when a shift to greater employee ownership occurs, the finance team has a critical role in the process.

Businesses have long offered their people the chance to get involved in company ownership through employee stock ownership plans. However, a growing number of generally smaller to medium-size private companies are choosing employee ownership trusts (EOTs) to give workers a meaningful stake in the organisation. In the UK, the professional services sector has been a leader in this movement, accounting for one-third of conversions since 2020. Recent conversions to EOTs have also included businesses involved in construction (18%), retail and wholesale (12%), manufacturing (10%), and information and communication (9%), according to the UK-based White Rose Centre for Employee Ownership. While this option is popular among SMEs, UK retailing giant the John Lewis Partnership PLC demonstrates that it can be feasible in a large business.

Rising employee ownership

In the UK numbers of EOTs have grown significantly since 2014, when the UK government introduced legislation to promote them. The existing owners in these transactions typically prefer to sell to preserve the business they have built, rather than, for example, sell to a lifelong competitor, according to Graeme Nuttall, partner of the law firm Fieldfisher in London and founder of its employee ownership solutions practice. Nuttall's report for the UK government, [Sharing Success: The Nuttall Review of Employee Ownership](#), was influential in policymaking in this area, and he consults on EOTs with companies in the UK, Australia, and Canada. Elsewhere, the [Southern Africa Employee Ownership Association](#) and the [National Center for Employee Ownership](#) in the US are promoting this model.

How an EOT works

In a typical EOT, the founders sell their company shares to a trust that holds them on behalf of all the employees. Employees don't purchase any shares and don't own any directly, so there is no need to buy or sell shares when someone joins. Among other benefits, the lack of these capital transactions is one key advantage over other employee ownership options, such as employee stock ownership plans. Workers become beneficiaries of the EOT when they join (sometimes after an initial vesting period), and they lose trust beneficiary status when they leave, with no further claim on profits. The trust holds the shares, and the selling founders are paid off — usually over a number of years — by the business, based on an agreed-upon company valuation.

The finance team in a leadership role

While the founders and managing directors are often the centre of attention in a shift to an EOT, the CFO's critical role may be overlooked, according to Nuttall. "The finance director's role is very important in getting things right at the start," he said. For example, the company valuation — and the consideration paid to those owners — will depend to a great extent on the cash flow and profit projections that the finance leader supplies. And while share valuation should be

performed by an external expert, the finance team will be called upon to contribute to the effort.

Other roles for finance include considering the impact of the transition to an EOT on areas such as overall financial performance, tax issues, and legal and human resources concerns, said Mangaliso Mithi, ACMA, CGMA, the CFO at Jaltech, a South Africa-based fund management firm. He consults with other fund management companies that are considering or undertaking EOTs.

At UK-based software developer NC Squared, financial controller Abi Knight, ACMA, CGMA, was the only employee told about the transaction before it was announced because her expertise was important in the planning process. In addition to preparing forecasts and other information for the valuation and the legal team, she reviewed documents such as a required share-purchase agreement and a trust deed to ensure they were realistic and accurate.

Best practice for EOTs

Experts in EOTs offer these tips for finance leaders to keep in mind.

Gain early buy-in by demonstrating the benefits

Employees should get a taste of the financial benefits early on, Nuttall said. "The employees should not just be watching the payment money going to the founders," he said. "There should be a plan for how employee profit sharing works from day one." He insists that, when profit-sharing bonuses are paid, they go to all employees, because it is a key characteristic of EOT ownership that all employees benefit. Companies may choose to pay each person the exact same amount or vary payouts based on factors such as hours worked or length of service. The finance team will need to be involved in projecting profits and how bonuses are allocated. In addition, while most companies Nuttall has worked with prefer to avoid taking on external debt, when they do borrow, finance provides data for bank loans or other financing.

Management must also buy into the EOT concept if it is to work. In addition to providing a succession solution that maintains the company's unique team and culture, an EOT can give companies an edge in employee retention and continuity, Mithi said. "These

companies have many highly skilled professionals with a lot of institutional knowledge," he said, as well as varied specialised skillsets. The businesses are seeking to reward their people so they will continue to be part of their growth. In addition, a sale to an EOT may be as much about management succession as business succession because it enables promotion on merit rather than based on someone's ability or willingness to buy a share in the business.

Consider the impact of local regulation

Decisions on the structure of an EOT and the buyout of founders will be influenced by laws and regulations in the home country. For example, the UK law introduced in 2014 exempted the sale of a controlling interest in an EOT from capital gains tax and created other tax incentives. "The UK wanted to encourage awareness of these structures, among companies and their advisers," according to Nuttall. In Australia, though, EOT payouts are not exempt from capital gains tax, so this was a consideration for Meld Studios (see the sidebar, "Case Study: Meld Studios"). Elsewhere, guidelines on [Broad-Based Black Economic Empowerment](#) are a consideration for employee ownership in South Africa, Mithi noted.

Get the valuation and timing right

EOTs should not start out drowning in debt. The timeframe for owner repayment should offer fair consideration to the departing owners without overburdening the company with too much debt to repay in a short time, Knight recommended. At the same time, if the payout period is too long, the employee owners may feel that the company will never really become their own, dampening some of the excitement and engagement of ownership. Especially during uncertain economic times, "make sure the payback schedule doesn't ruin the business", she said.

Keep in mind, too, that the transition to a new management team is one major cause of delays in the EOT transition process, according to Nuttall. This is something to consider in financial planning. "The new team should not only be ready to take on a leadership role but must also adjust to an environment where decisions are more collaborative," he said.

Case study: Meld Studios

The company: Founded in 2009, this Australia-based company consults on service and organisational design and capability building. “We tackle the same issues that a management consultancy would, but we take a human-centred design approach,” said co-founder, principal, and director Steve Baty.

The challenge: The three founders, all in or nearing their 50s, began considering the company’s future. They had been approached about potential buyouts by large multinational consulting firms but were concerned that company culture and the work environment would not survive being swallowed up by a bigger entity. They also rejected the idea of a leveraged buyout by insiders, in part because it would only install a new management team that would be facing its own succession concerns down the road. “It just shifts the problem to someone else,” Baty said.

The founders also wanted to make ownership available to all employees, including those who were younger or less financially secure. Direct share ownership models wouldn’t work because in Australia they create an immediate capital gains tax burden for the owners before they receive their full payout and for employees before they receive any of the financial benefits of ownership.

The solution: In 2021, Meld Studios became the first Australian company to adopt the employee ownership trust (EOT) model. Employee input is facilitated by the presence of

one employee representative on the company board of directors and one on the EOT board, both chosen by employees. Profits are shared equally, with all 25 current employees each receiving an equal share of the profits in any given year. Salaries, which remain the same no matter what profits are shared, are paid at a flat rate, depending on job title, so that they reflect the employee’s responsibilities and not their negotiation skills.

In addition, a “Meldster Forum” is an all-hands meeting where employees ask questions of management and offer ideas and solutions. Suggestions are voted on and submitted to the company board for consideration. One key discussion included issues related to a planned restructuring of employee and founder roles and remuneration. In addition, employees receive a fully transparent financial update every two weeks, including a 13-week rolling cash flow forecast. (There is not always this level of transparency; companies may decide not to share information on compensation, the company valuation, or other details.)

The result: “It’s been a period of rapid expansion,” Baty said. The company expects to grow from 25 employees today to 34 within the next year. It has opened new studios in Perth and Canberra and grown its teams in Sydney and Melbourne. “It’s tough to pin success on individual factors, but we set record revenue levels in ten months during the last calendar year,” he said.

“An authoritarian approach would not work in an EOT.”

To be clear, the point of an EOT is to maintain company culture and not typically to significantly change how decisions are made within the organisation to a workers’ collective model, Nuttall said. Instead, the point is usually to provide a forum for employee voices and enable them to benefit when the company does well.

On the compensation front, he noted that the new EOT-owned companies still have to pay market-rate salaries to recruit and retain staff, and he is not aware of any research showing that some deliberately offer lower pay. “The concept is that this is a great place to work and get market-rate pay, good work conditions, and personal bonuses, plus, if there’s a surplus, you can get an all-employee bonus as well.”

Communicate early and often

As financial controller, Knight has been called on to explain financial concepts to her colleagues and to respond to their scrutiny of the financials. “It’s been really useful to have them understand how we

make money and what our profit looks like,” she said. The new governance structure requires her to do more reporting than previously, but it helps employees to make better decisions on spending, bringing in new customers, and other key considerations. “If the leadership team is considering a decision, we put it on our wiki page to let everyone know this is what we’re making decisions on,” she said. She recommended that finance leaders should expect questions and be open to challenges.

Meld Studios has viewed the transition as an opportunity to raise financial literacy amongst employees who are not used to financial statements. “If we have discussions about where to spend money or an initiative that might require an investment, they have the financial background they need to understand the impact on financial performance,” co-founder, principal, and director Steve Baty said. At the same time, the decision-making process should ideally allow for a diversity of contributions, since some employees may not want to be involved in financial decisions.

Finally, as employees get used to the new structure, it’s important to regularly reinforce the EOT’s purpose so that they remember the mission and its value, Mithi advised.

A continuing process

The finance team is pivotal at the start, and its role will remain important as the business moves forward to creating and maintaining its EOT. The team will have to assess whether employee and company performance remain in line with business objectives and to develop the right KPIs for its purpose, Mithi noted.

And while the process may seem daunting, it’s worth it, Knight said. “It can be brilliantly successful,” she said. “It can offer a real impetus for your business to carry on in the long term.” ■

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Manager to leader: What's needed to make the transition?



Moving from a management role to leadership requires a growth mindset and an ability to delegate accountability, build trust, and get buy-in from your team.

By Teri Saylor

Employees are often promoted into management roles because they have demonstrated stellar technical skills and success in meeting goals.

But when those promotions don't include leadership development, managers may continue focusing on the hard skills and output that led to their

success rather than adopting a vision for moving their organisation forward and inspiring buy-in from employees.

Understanding the difference between management and leadership is key to taking a workplace from good to great and cultivating new generations of leaders to keep the momentum going, says Prashanth Puthran, FCMA, CGMA, head of finance, West Africa, for a pharmaceutical company.

"I would define leadership as the ability to inspire and guide others toward a common vision, while management is the process of coordinating work activities to hit specific targets," he said.

"Effective management is important

for the smooth operation of any organisation, whilst leadership sets the direction and inspires others to follow."

Puthran and other leadership experts outlined for *FM* strategies and approaches that can help managers develop the skills they need to become effective leaders.

Develop a leadership mindset

When you embrace your role as a leader, there is no limit to what you can do to create a strong, positive culture within an organisation, says London-based Anne-Marie Balfe, talent leader for EY's financial services business across Europe, the Middle East, India, and Africa.




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“It’s important to have a common vision and sense of purpose, to put strong governance in place that leads to clear accountability, and to encourage leadership skills in people whatever their level in the organisation,” she said. “And to encourage individuals at all levels to develop their own leadership skills.”

Strong leaders possess a growth mindset, built on the belief everyone can do better and be better, Balfe said.

“Leaders support and inspire others to be their best, and they do this by setting examples,” she said. “If leaders continuously challenge themselves to grow and meet the demands of change and increasing complexity, it will have a ripple effect on those around them.”

And for managers who aspire to leadership, Puthran advises starting by adopting the qualities they value in a leader.

“Hone soft skills like self-awareness, emotional intelligence, empathy, good listening, and effective communication, and then explore ways to instill those qualities in others,” he said.

Hold your team to task

Oftentimes, managers are more comfortable when they feel they are in control, and it can be hard to let go and delegate accountability to your team, says Mark Fritz, managing director at Procedor

Limited, a leadership consultancy in London.

Controlling managers who take responsibility for their team’s misjudgements rather than give them the freedom to make mistakes and accept responsibility can be acting in a counterproductive way.

Micromanaging employees will also hamper their professional growth and erode their self-confidence.

“If you tightly manage everything, your team is neither improving nor working up to their full potential,” Fritz said. “Holding them accountable helps them learn from their mistakes in a safe space and keeps them from making the same mistakes in the future.”

Fritz suggests that rather than providing answers and solutions to problems, leaders should ask questions that guide their team to finding their own solutions, then give them credit for their successes. Being open to ideas from others will also build team members’ confidence and give them the courage to make their own decisions without the need for guidance.

“Over time, they will begin to view you as a leader and seek out your advice,” he said.

Build trusting relationships

Credibility and trust make up the foundation upon which strong and

productive relationships are built, Puthran said, adding that when a team trusts you, they will be keen to follow your lead.

Trusting relationships are forged on authenticity and transparency.

“Authentic leaders who hold themselves to high standards and demonstrate the values and behaviours they wish to see in others are more likely to earn their team’s trust and respect,” he said.

Taking time to get to know everyone on a personal level, showing genuine concern for their wellbeing, and building rapport through mutual respect and understanding also goes a long way toward developing trusting relationships.

“Sharing who you are and what you stand for inspires people to believe in you and understand where you are coming from,” Puthran said. “And that motivates your team to bring their authentic selves to the workplace, too.”

Never stop honing your leadership skills

Leadership development is an ongoing process, Puthran said. “Always seek out education and training opportunities, don’t stop soliciting feedback, and remain open to new ideas and approaches.”

Remember, growth doesn’t stop when you’ve mastered the essential skillsets, and while there are numerous high-quality leadership skills courses available, to become a great leader, you need to combine knowledge with experience, Balfe said.

She advises aspiring leaders to keep an open mind and to embrace opportunities.

“Leverage your network and carve out time for professional development, both to improve your technical expertise and also to develop your leadership skills and mindset,” she said.

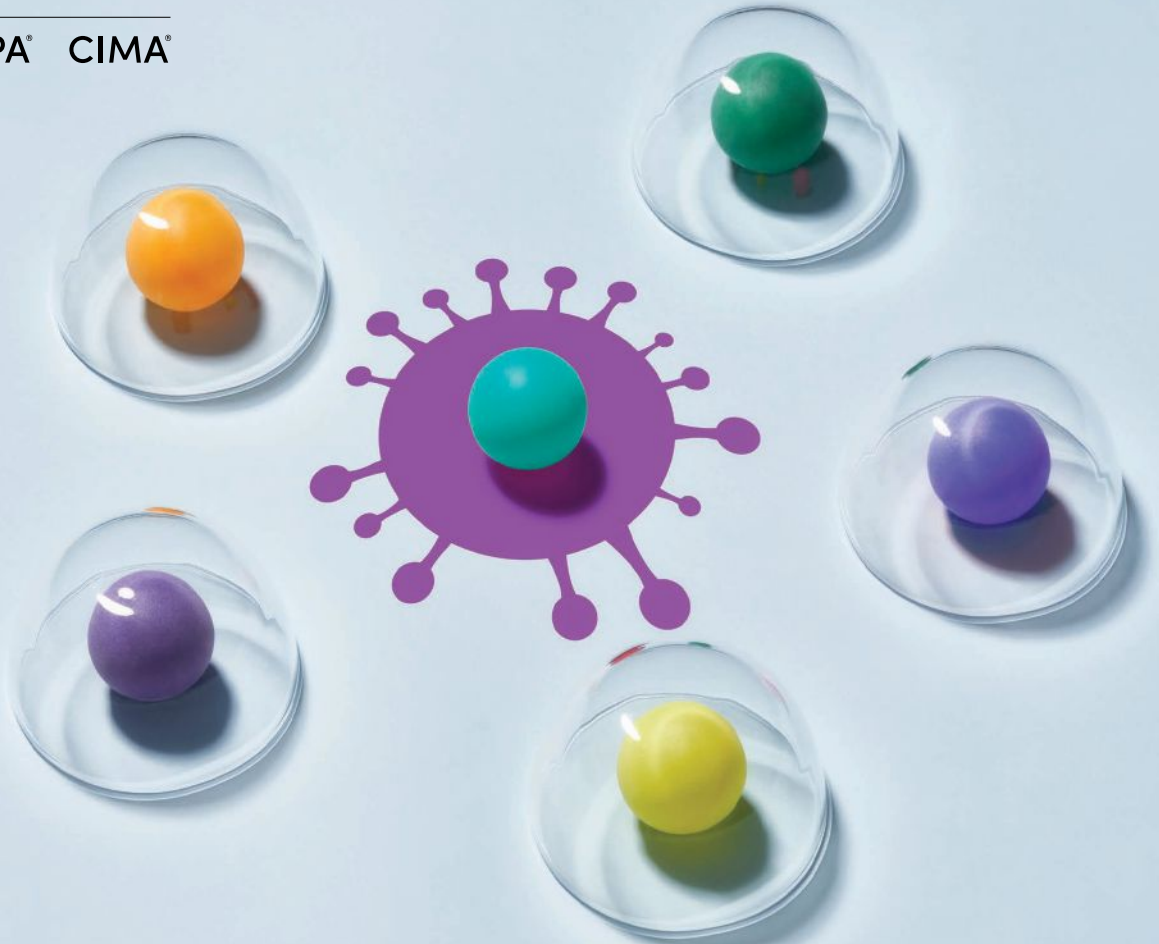
“There is a huge amount of value to be found in coaching, mentoring, requesting honest feedback, and truly stretching yourself,” Balfe added. ■

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How to keep businesses safe on social media

The inadvertent release of business information through social media use is a hazard, but companies can take steps to head it off.

By Sarah Ovaska

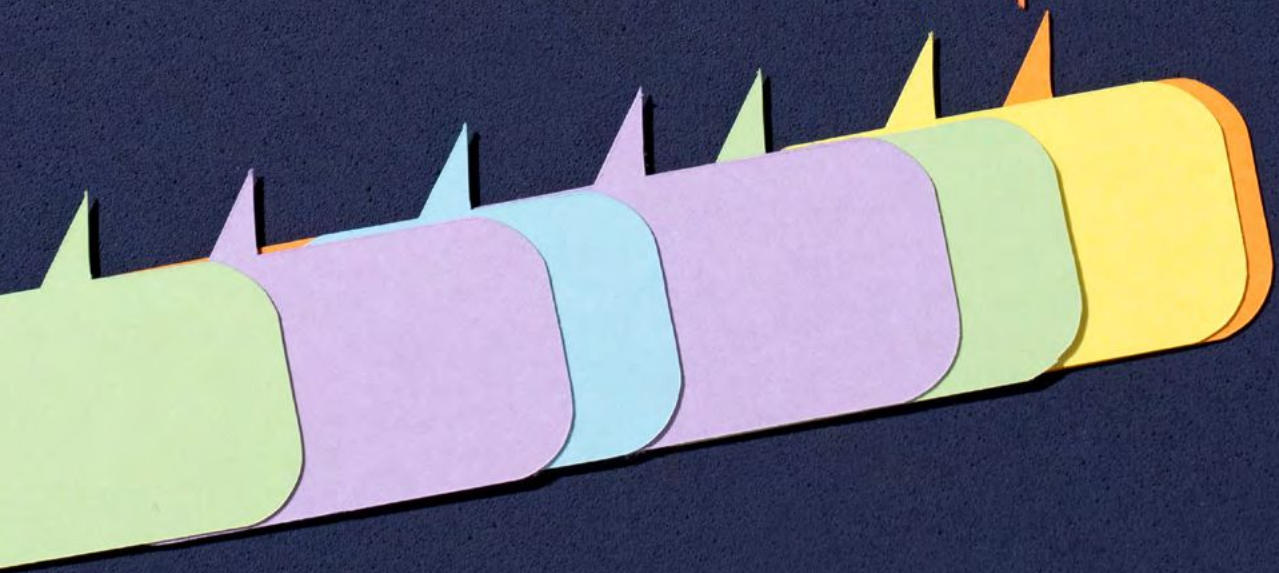
Facebook, WhatsApp, Twitter, Snapchat, Instagram: They're not just places to idle away discretionary bits of time; they're important platforms businesses can use to reach and engage with consumers and investors.

But interactions on social media networks also provide fertile ground for fraudulent schemes to take root, said Keith Elliott, president and CEO of Canada-based Reed Research Investigations Limited, which conducts global investigations, surveillance, due diligence, and research for corporate, legal, and insurance industry clients.

Haven't thought about this? You should, said Elliott, who is also a private investigator with more than three decades of experience. In an interview he talked about the risks social media poses to finance departments.

"If you're not concerned, then you need to sit up and take notice," Elliott said. Social media is "like a train ripping down the tracks uncontrolled, and we don't know what we're signing up for".

Here is Elliott's advice on how to try to impede that runaway train and prevent fraud from taking root through social media platforms.




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Outline the rules

No corporate official wants to be notified that an employee used a company Twitter or Facebook account to prematurely reveal a product launch or inadvertently clicked on a bit of malware that went on to infect corporate networks.

That's why having strong and well-understood corporate policies that outline how a person should be handling corporate accounts can help, Elliott said. These should be part of a media policy that is developed and distributed to all employees, and training should be provided. Policies can include not divulging information about products that are being worked on or giving away specific details that could be used by hackers to infiltrate networks.

"If you put in proper procedures, policies, [and] educate and train, then your risks are nominal," Elliott said. If you don't, "then you choose how high of an appetite of risk you want to have, because the sky's the limit".

Don't expect a policy alone to protect you, though. Make sure there is training and continual reinforcement about what is and isn't appropriate to share and how to protect login information and other sensitive information.



Don't give valuable business information away

Make sure you and the people in your company aren't divulging too much information about the company's inner workings.

That's especially relevant for those who work in finance departments, given that sophisticated social engineering schemes can help hackers search for small pieces of information about individuals from various online forums — their family makeup, travel plans, even hobbies. That information can be used to impersonate the individual and use compromised emails to infiltrate networks or divert invoice payments to the accounts of cyberthieves.

"You do need to control what they're saying about their work, their clients, the brand, their activities," Elliott said. "There needs to be a clear message with respect to what is acceptable in those capacities."

Also be aware of how your company's information could be used by competitors or others doing market research or deep-level analytics. Posting information through official business channels, or through less official ones such as employees' LinkedIn posts, could offer competitors blueprints of your company's plans and challenges. Ensure that the policy distributed to staff is clear about what is and isn't appropriate to share publicly.

There's also no taking back information once it's out there. This creates privacy concerns, especially when you've signed or authorised a terms-of-agreement contract. Whether you know it or not, that enables social media companies to use your data any way they'd like.

Policies can include not divulging information about products that are being worked on.

"Your privacy ends the second you use the product," he said, meaning that once you send information out into the world, you lose control of it.

Educate and be aware

The best way to protect yourself and your company is to be aware of how you're interacting online and to make sure your staff are likewise aware of the risks out there.

Send out messages and provide training that emphasises that clicking on links that come across social media can be dangerous. Train staff — especially those in key finance positions — to use discretion and judgement and to "think before you click", Elliott said.

The risks include malware, with sophisticated hackers looking to trick unsuspecting employees into clicking on suspect links or downloading programs laden with files or coding that could in turn infect networks and give hackers an inside look at operations. Other schemes may be attempts to get staff to give out valuable financial information such as bank account numbers or even passwords to access sensitive information.

"We just click, click, click because we're in a society of clickers," Elliott said. "But you need to pause and wait a few seconds and hold that thought and not necessarily click."

That pause, after all, is what can keep online fraud at bay. ■

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Excel: How to calculate cumulative balances

Excel MVP Liam Bastick describes a method for calculating cumulative balances or multiple running totals.

By Liam Bastick, FCMA, CGMA

You have to be careful calculating cumulative balances (running totals) in Excel, as they can be harder to construct than you might think initially. (Refer to the example [Excel file](#) for a modelled example.)
Let's consider the table in the screenshot "Simple Calculation of Running Totals".

Simple calculation of running totals

	A	B	C	D	E
1					
2		Amount	Cumulative		
3		10	10	=SUM(\$B\$3:\$B3)	
4		20	30		
5		30	60		
6		40	100		
7		50	150		
8		60	210		

Ensuring you anchor your cell references correctly (either by typing in the "\$" or by using the F4 function key in "Edit" [F2] mode), the formula

=SUM(\$B\$3:\$B3)

in cell C3 will achieve the desired effect. However, things are a little more "fun" if we turn the range into a Table using CTRL+T, calling the resulting Table "Example" (see the downloadable screenshot "[Example Table Range](#)").

Then, adding a row creates an interesting issue (see the downloadable screenshot "[Adding a Row to the Table](#)").

An alternative formula seems to solve this problem (see the downloadable screenshot "[Changing the Formula in the Table](#)").

Note the revised formula in cell C3:

=N(C2)+[@Amount]

This is a mixture of Excel cell referencing (eg, C2) and Table (or "structured") referencing (eg, [@Amount], meaning the Amount value on that row). The N function takes the numerical value of the cell referenced; ie, the text is treated as having a zero value, rather than causing a #VALUE! error if it is used in a summation otherwise.

Unfortunately, this alternative doesn't work in all situations either. To break it, simply insert a row into the Table (see the screenshot "[Inserting a Row in the Table](#)").

Inserting a row in the Table

	A	B	C	D	E
1					
2		Amount	Cumulative		
3		10	10	=N(C2)+[@Amount]	
4		20	30	=N(C3)+[@Amount]	
5		30	60	=N(C4)+[@Amount]	
6		40	100	=N(C5)+[@Amount]	
7		1000	1100	=N(C6)+[@Amount]	
8		50	150	=N(C6)+[@Amount]	
9		60	210	=N(C8)+[@Amount]	
10		70	280	=N(C9)+[@Amount]	
11		80	360	=N(C10)+[@Amount]	

Tables and running totals do not seem to mix, so bear this in mind. It's simpler just to use standard tables, as in the first screenshot "Simple Calculation of Running Totals".

But let's complicate things further. Imagine you have a data table you collate daily regarding inventory movements (see the screenshot "Inventory Balances").

Inventory balances

	E	F	G	H	I	J	K
11							
12		Product	Date	Opening Balance	Purchases	Sales	Closing Balance
13		A	1 Apr 23		120		
14		B	2 Apr 23		289		
15		C	3 Apr 23		274		
16		D	4 Apr 23		297		
17		A	5 Apr 23		300	(222)	
18		B	6 Apr 23		226	(273)	
19		D	7 Apr 23		136	(229)	
20		C	8 Apr 23		189	(283)	
21		A	9 Apr 23		190	(128)	
22		C	10 Apr 23		280		
23		D	11 Apr 23		280	(275)	
24		B	12 Apr 23			(107)	
25		B	13 Apr 23		107	(124)	
26		A	14 Apr 23		144	(221)	
27		C	15 Apr 23		230	(248)	
28		A	16 Apr 23		203	(140)	
29		D	17 Apr 23		263		
30		D	18 Apr 23			(124)	
31		A	19 Apr 23		161	(172)	
32		B	20 Apr 23		123	(241)	
33							

Here, I have several inventory items that are collated daily in a table (lowercase "t" — not an Excel Table, based upon my observations above). I can assume column G will keep dates in ascending order, ie, that dates will either increase or be equal to the previous row's date.

I want to keep a running total of the opening and closing balances, leaving the format alone (I might be using the table as the source for a PivotTable, for instance). The question is, how do I do this?

The Closing Balance formula (column K) is simple enough — see the screenshot "Inventory Closing Balances").

Inventory closing balances

	E	F	G	H	I	J	K	M	N
11									
12		Product	Date	Opening Balance	Purchases	Sales	Closing Balance		
13		A	1 Apr 23		120		120		=SUM(H13:J13)
14		B	2 Apr 23		289		289		
15		C	3 Apr 23		274		274		
16		D	4 Apr 23		297		297		
17		A	5 Apr 23		300	(222)	78		
18		B	6 Apr 23		226	(273)	(47)		
19		D	7 Apr 23		136	(229)	(93)		
20		C	8 Apr 23		189	(283)	(94)		
21		A	9 Apr 23		190	(128)	62		
22		C	10 Apr 23		280		280		
23		D	11 Apr 23		280	(275)	5		
24		B	12 Apr 23			(107)	(107)		
25		B	13 Apr 23		107	(124)	(17)		
26		A	14 Apr 23		144	(221)	(77)		
27		C	15 Apr 23		230	(248)	(18)		
28		A	16 Apr 23		203	(140)	63		
29		D	17 Apr 23		263		263		
30		D	18 Apr 23			(124)	(124)		
31		A	19 Apr 23		161	(172)	(11)		
32		B	20 Apr 23		123	(241)	(118)		
33									

The formula in cell K13, for instance, is given by:

=SUM(H13:J13)

The issue is clear: How do you calculate the *opening* balances? They aren't necessarily the closing values from the row above. We need to find the last occurrence of a purchase or sale for that product. If the products were sorted, we could use the LOOKUP function, as this finds the last occurrence of sorted data. Unfortunately, that will not work here.

Therefore, we need to find the last date for that product and then look up the Closing Balance on that date for that product. Assuming the fact we might have two or more records for the same product on the same date, we cannot use SUMIFS: We will need to use a "helper" column instead in order to look up the last occurrence of a given date/product combination.

The Helper field is easy — see the screenshot "Closing Balances With Helper Column".

Closing Balances with Helper column

Product	Date	Opening Balance	Purchases	Sales	Closing Balance	Helper
A	1 Apr 23		120		120	A - 45017
B	2 Apr 23		289		289	B - 45018
C	3 Apr 23		274		274	C - 45019
D	4 Apr 23		297		297	D - 45020
A	5 Apr 23		300	(222)	78	A - 45021
B	6 Apr 23		226	(273)	(47)	B - 45022
D	7 Apr 23		136	(229)	(93)	D - 45023
C	8 Apr 23		189	(283)	(94)	C - 45024
A	9 Apr 23		190	(128)	62	A - 45025
C	10 Apr 23		200		200	C - 45026
D	11 Apr 23		280	(275)	5	D - 45027
B	12 Apr 23			(107)	(107)	B - 45028
B	13 Apr 23		107	(124)	(17)	B - 45029
A	14 Apr 23		144	(221)	(77)	A - 45030
C	15 Apr 23		230	(248)	(18)	C - 45031
A	16 Apr 23		203	(140)	63	A - 45032
D	17 Apr 23		263		263	D - 45033
D	18 Apr 23			(124)	(124)	D - 45034
A	19 Apr 23		161	(172)	(11)	A - 45035
B	20 Apr 23		123	(241)	(118)	B - 45036

The formula in cell L13 is given by:

= \$F13 & " - "& \$G13

Notice the use of a delimiter. The " - " separates the product and the date so that there can be no confusion. Further, the date appears in its serial number form, ie, counting the number of days where 1 January 1900 is day 1, etc. (and forgetting that 1900 wasn't a leap year, but that's a story for another day).



Now that we have our Helper column, the formula for the Opening Balance (column H) can be created (see the screenshot “Calculating the Opening Balances”).

Calculating the opening balances

H13 =IFERROR(XLOOKUP(\$F13&" - "&MAXIFS(\$G\$12:\$G12,\$F\$12:\$F12,\$F13),\$L\$12:\$L12,\$K\$12:\$K12,,,-1),)

	C	D	E	F	G	H	I	J	K	M	N	O
11												
12												
13				A	1 Apr 23	-	120					120
14				B	2 Apr 23	-	289					289
15				C	3 Apr 23	-	274					274
16				D	4 Apr 23	-	297					297
17				A	5 Apr 23	120	300	(222)				198
18				B	6 Apr 23	289	226	(273)				242
19				D	7 Apr 23	297	136	(229)				204
20				C	8 Apr 23	274	189	(283)				180
21				A	9 Apr 23	198	190	(128)				260
22				C	10 Apr 23	180	280					460
23				D	11 Apr 23	204	280	(275)				209
24				B	12 Apr 23	242		(107)				135
25				B	13 Apr 23	135	107	(124)				118
26				A	14 Apr 23	260	144	(221)				183
27				C	15 Apr 23	460	230	(248)				442
28				A	16 Apr 23	183	203	(140)				246
29				D	17 Apr 23	209	263					472
30				D	18 Apr 23	472		(124)				348
31				A	19 Apr 23	246	161	(172)				235
32				B	20 Apr 23	118	123	(241)				-
33												
34												

=IFERROR(XLOOKUP(\$F13&" - "&MAXIFS(\$G\$12:\$G12,\$F\$12:\$F12,\$F13),\$L\$12:\$L12,\$K\$12:\$K12,,,-1),)

The formula in cell H13 is given by:

=IFERROR(XLOOKUP(\$F14&" - "&
MAXIFS(\$G\$12:\$G13,\$F\$12:\$F13,\$F14),\$L\$12:\$L13,\$K\$12:\$K13,,,-1),)

It may seem a monster of a calculation, but it's not so bad once you split it into its calculable components.
The core calculation,

MAXIFS(\$G\$12:\$G14,\$F\$12:\$F14,\$F15)

uses the function MAXIFS to find the maximum value in the range \$G\$12:\$G14 (ie, all the dates for the rows preceding the current record) subject to the product in the range \$F\$12:\$F14 (ie, all the products for the rows preceding the current record), equalling the product in the current row/record (ie, cell \$F15). This maximum value is the last date the current product was recorded in the table.

This value is then concatenated with the product:

\$F16&" - "&MAXIFS(\$G\$12:\$G15,\$F\$12:\$F15,\$F16)

This will then give a value that may be searched in the Helper column using XLOOKUP:

XLOOKUP(\$F16&" - "&MAXIFS(\$G\$12:\$G15,\$F\$12:\$F15,\$F16),\$L\$12:\$L15,\$K\$12:\$K15,,,-1)

The first argument is simply the concatenation created in the last step. This combined value is then sought in the Helper column in the range \$L\$12:\$L15 (ie, all the concatenated values for the rows preceding the current record), and the value returned is the corresponding Closing Balance in column K in the range \$K\$12:\$K14 (ie, all the Closing Balance amounts for the rows preceding the current record). The final term in the XLOOKUP function (-1) forces XLOOKUP to search in reverse order, ie, from the final row above to the first row above. This is to ensure the correct Closing Balance is obtained if two records cite the same product on the same day.

The final formula,

=IFERROR(XLOOKUP(\$F14&" - "&
MAXIFS(\$G\$12:\$G13,\$F\$12:\$F13,\$F14),\$L\$12:\$L13,\$K\$12:\$K13,,,-1),)

I want to keep a running total of the opening and closing balances, leaving the format alone (I might be using the table as the source for a PivotTable, for instance). The question is, how do I do this?

simply wraps everything in an IFERROR statement so that zero [0] is returned should there be no occurrence of the product previously. Easy when you know how.

Please refer to the example [Excel file](#) for a modelled example.

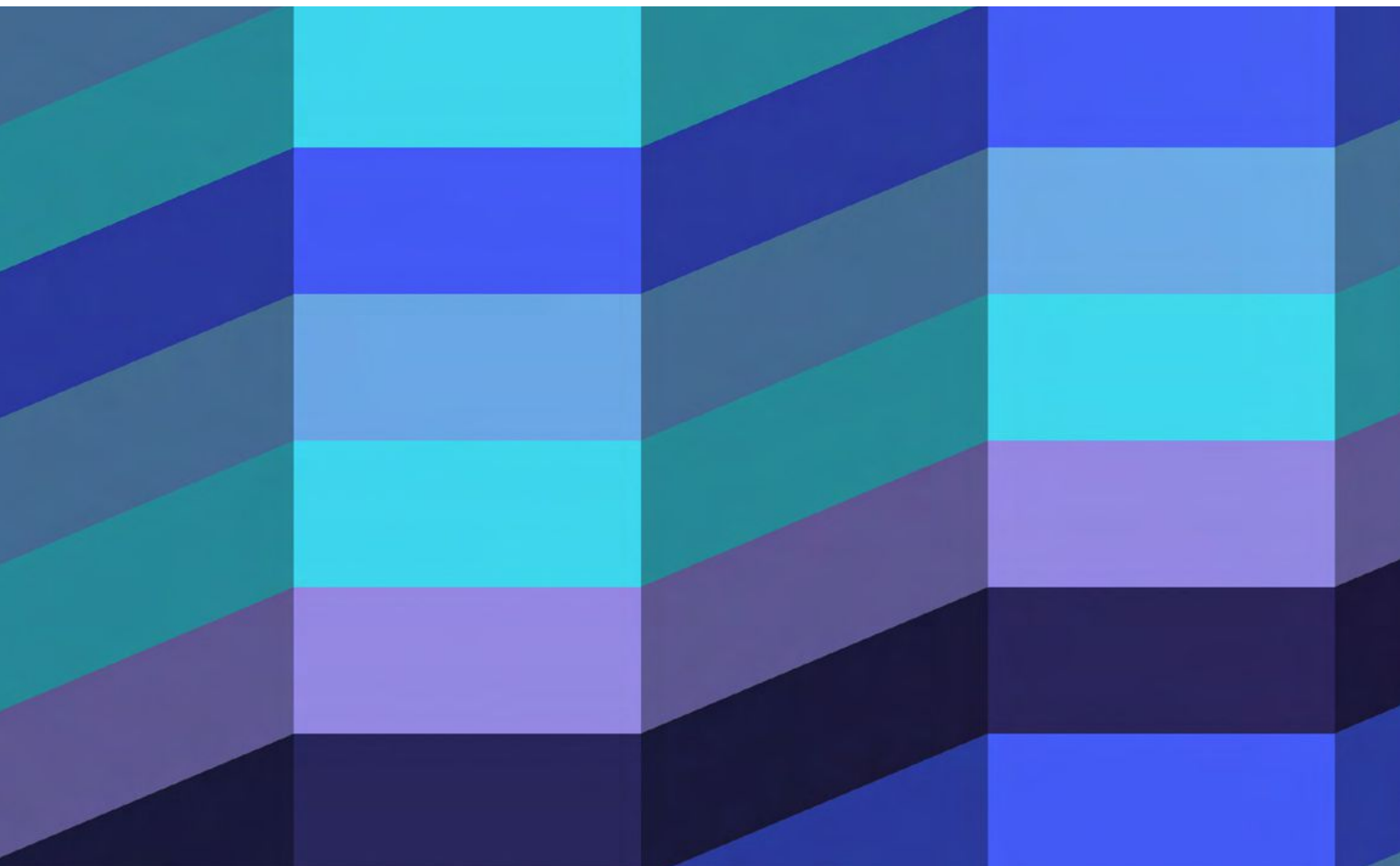
Word to the wise

This is a problem that was awkward to model before the advent of XLOOKUP and dynamic array formulae. This is because MAXIFS needs to be replaced by the array formula {MAX(IF)} (using CTRL+ALT+DEL), plus you have to employ an old LOOKUP trick to find the last occurrence of data in an unsorted list (given LOOKUP requires data to be sorted).

I don't go through it here, but it can be done.

I would definitely recommend the solution explained in this article, but I include an older alternative (on the "Alternate Approach" tab) in the example [Excel file](#). It may seem to be of similar length, but the ideas behind this formula are more complex. ■

Liam Bastick, FCMA, CGMA, FCA, is director of SumProduct, a global consultancy specialising in Excel training. He is also an Excel MVP (as appointed by Microsoft) and author of Introduction to Financial Modelling and Continuing Financial Modelling. Send ideas for future Excel-related articles to him at liam.bastick@sumproduct.com. To comment on this article or to suggest an idea for another article, contact Oliver Rowe at Oliver.Rowe@aicpa-cima.com.



INSTITUTE NEWS

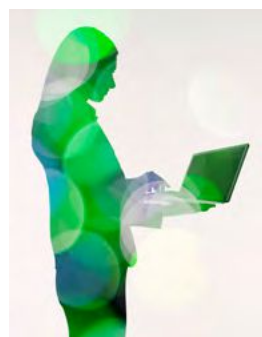
AICPA & CIMA, IFAC research on ESG reporting and assurance trends

The largest global companies continue to show momentum on ESG (environmental, social, and governance) corporate reporting and related assurance, according to a [recent report](#) by AICPA & CIMA and the International Federation of Accountants (IFAC).

The State of Play: Sustainability Disclosure & Assurance, which covers trends and analysis for 2019–2021, found that 95% of large companies reported on ESG matters in 2021. That's up from 91% in 2019. A total of 64% of companies

obtained assurance over at least some ESG information in 2021, up from 51% in 2019.

The research also found that 86% of the companies reviewed used multiple standards and frameworks to prepare and present sustainability information. The report noted that this practice does not support consistent, comparable, and reliable sustainability information — for investors and lenders. It also does not provide a foundation for globally consistent, high-quality sustainability assurance, the report said.



AICPA & CIMA partner with Saïd Business School, University of Oxford, on sustainability programme

AICPA & CIMA and Saïd Business School, University of Oxford, will jointly offer a [new executive management certificate programme](#) in sustainability for accounting and finance professionals.

The programme, expected to launch this year, is meant for professionals in mid- to senior-level career roles, such as CFOs, board members, and

chief accounting officers. It will be taught online through live classes, giving participants access to faculty members with world-leading expertise in sustainability issues, and an opportunity to develop a global network of contacts. Graduates of the programme will earn a certificate jointly signed by Oxford Saïd Business School and AICPA & CIMA.

CIMA and Namibia accounting institute agree to provide dual designation access



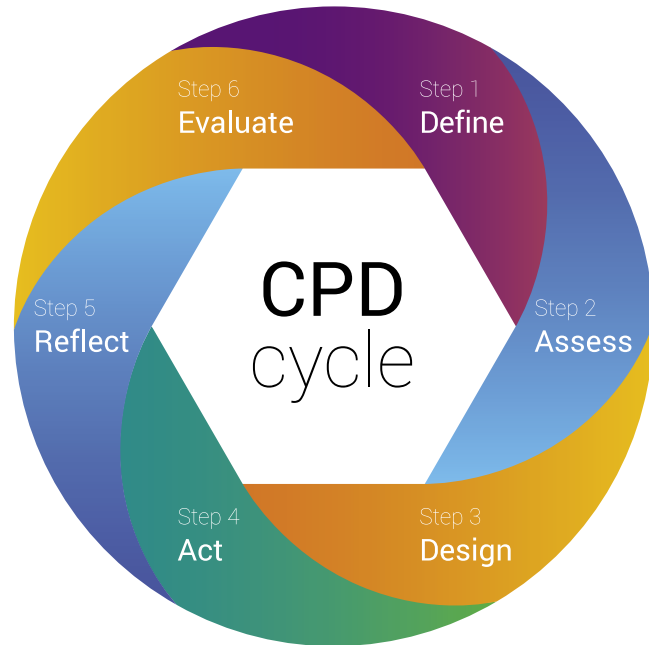
CIMA and the Institute of Chartered Accountants of Namibia (ICAN) have entered into a five-year dual-designation agreement to enable members to use both the Chartered Accountant, Namibia CA(NAM), and the CGMA designations.

This Mutual Pathway Agreement will allow qualifying ICAN members to enjoy the benefits of the CGMA designation while CIMA members holding the CA(NAM) designation will benefit from being part of the leading accounting professional body in Namibia.

CIMA's 2023 call for research proposals

CIMA has launched its 2023 call for research proposals, which is open to both early-career and experienced applicants from anywhere in the world.

Grants of up to £25,000 are available to experienced researchers, and £5,000 for early-career scholars to explore the role of management accounting in addressing the opportunities and challenges presented by developments in digitalisation, the drive for sustainable business success, workplace evolution, and the growing importance of diversity, equity, and inclusion. The closing date is 25 August. More information is available by emailing research@aicpa-cima.com.



CIMA sets out CPD requirements and monitoring process

Monitoring by CIMA of members' continuing professional development (CPD) is designed to protect the public interest and preserve the designation members worked so hard to achieve.

To maintain CIMA's standards, members are randomly selected each year to submit their CPD records for review.

Why CPD?

All CIMA members are required to keep learning throughout their career. Ongoing learning allows you to maintain and develop your skills, knowledge, and experience, making you ready to meet the requirements of your current role and any role you want to move into. CPD differentiates members from the nonprofessional and helps them achieve their career aspirations.

How will I know if I have been selected?

Letters or emails are sent to those randomly selected for CPD monitoring. They include both members employed in business and Members in Practice.

Members can either submit their CPD record via the Competency and Learning website or they can confirm that they work for an accredited employer.

CIMA professional development or CPD is a mandatory requirement of membership. All members must undertake CIMA professional development in accordance with CIMA Regulations Part I, 13–18.

Regulation 18A states that any member who fails to provide adequate records of CPD undertaken in accordance with the CPD requirements by the specified date will be issued with a financial penalty and can face disciplinary action.

Members who haven't submitted their CPD record upon

request have already received a financial penalty, so it's essential that you submit your CPD record by the deadline stated in CIMA's communications to those selected for monitoring.

If you are retired or not in paid work, please get in touch with the CPD Monitoring Team at cpd.monitoring@aicpa-cima.com, as you may not be required to submit a learning record.

How can I prepare?

Members should take these steps to prepare for monitoring:

- Keep a record of your CPD — it's good practice and means you'll be ready when randomly selected.
- Check whether your employer is accredited. CIMA members working for accredited employers can use their personal development plan as evidence of CPD compliance.

If your employer is accredited, make sure your employment details are up to date in your CIMA membership account so that we can verify your place of employment. If your employer isn't accredited, you will need to submit your CPD record via the Competency and Learning website.

When preparing your learning record on the Competency and Learning website, make sure you add all the job roles you have had during the period being monitored. This will help structure your learning and put your learning in context.

CPD activities can be formal (eg, a course or conference) or informal (eg, reading articles/journals, giving presentations, or giving training to a colleague).

Once you've added your first CPD activity, log in regularly to add new activities and update those you've completed.

If you have any questions, please get in touch at cpd.monitoring@aicpa-cima.com.

The business of bicycles

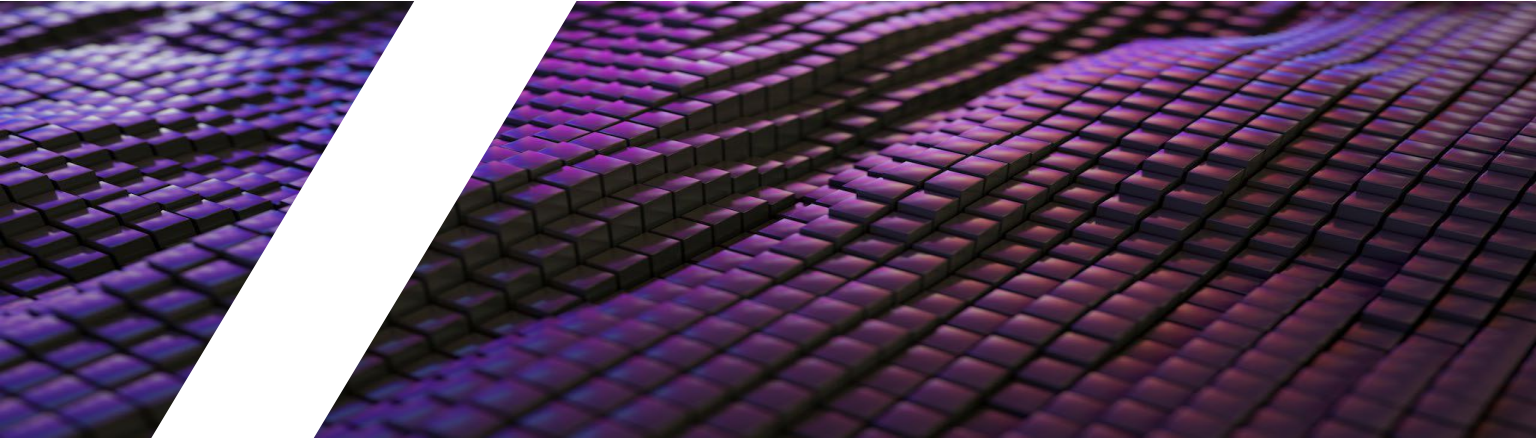


There are an estimated 100 million bicycles produced around the world each year, and the global cycle market is expected to grow at an annual compound rate of 6.5% from \$82.5 billion in 2022 to \$127.8 billion by 2029. That's according to a Fortune Business Insights report that said growth is being spurred by road congestion, high fuel prices, new cycling infrastructure, and — not least — citizens' environmental concerns.

The COVID-19 pandemic caused a market spike in 2020 after an initial manufacturing slowdown. People took to bikes for commuting, other transport needs, and leisure.

World Bicycle Day — marked on 3 June — is a UN initiative that recognises cycling as a “simple, affordable, reliable, clean, and environmentally fit, [and] sustainable means of transport, fostering environmental stewardship and health”.

Photo taken on 3 February 2023 shows a bicycle parking facility at Amsterdam Central Station in the Netherlands. The facility has space for some 7,000 bicycles.



CIMA Research

Broaden knowledge. Expand horizons.

As a CIMA member, you can access the latest thinking from the world's leading management accounting association. Our research team funds academic programmes, publishes industry-leading insight, and partners with organisations all over the world. It helps us learn from the best global examples of improved business performance and sustainability.