



# \$ The Bottom Line \$

The St. Paul Chapter

Volume XVIII

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## Please Keep in Touch!!

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## President's Message

It was with great sadness that I read the report of the unexpected deaths of Bob and Andrea Bell in a small plane crash on Sunday, August 31, 2003. Bob was a long time IMA member, and served as the IMA National President for the period 2001-2002. I had the chance to meet Bob last June at the Annual Conference in Nashville, Tennessee. Many of you may have known Bob.

An article on Bob and Andrea is posted on the IMA website and you can access the article at <http://www.imanet.org/ima/sec.asp?TrackID=&CID=24&DID=1485&VID=1>.

Donations may be made to the IMA's Memorial Education Fund (one of Bob's causes during his term as president) or to the Robert E. Bell and Andrea G. Bell Memorial Fund, % Bank of Granite, 25 Third Street, NW, Hickory, N.C. 28601.

The 2003 – 2004 year kicks off for our members on Tuesday evening, September 23, 2003 at the Double Tree in St. Louis Park. This will be a joint membership meeting hosted by the Minneapolis chapter. The speaker will be Dave Ripka, VP-Controller Xcel Energy and Dave chose "Corporate Governance" as his very timely topic. Mark your calendars to attend, and I will see you there.

Mark your calendar for our October monthly dinner meeting, at the Embassy Suites in downtown St. Paul on Tuesday evening, October 21, 2003. This will also be a joint meeting with the Minneapolis chapter, and we are happy to host this event. This will be a very special event as our guest speaker will be Dr. Debashis Ghosh, Ph.D. from Ernst & Young. Dr. Ghosh will review the results of important surveys sponsored by E&Y including the "2003 Survey of Management Accounting" and the results of the "2003 Best Practices Survey." You don't want to miss the chance to hear Dr. Debashis Ghosh.

October is also "Student Conference" month. We hope you will consider volunteering your time to help with this most worthy activity. Read more about the "Student Conference" in upcoming issues of our monthly newsletter.

Your board of directors has worked hard to put together a strong meeting schedule filled with great speakers on timely topics pertinent to all IMA members. I hope you will make every effort to attend at least one or two of these great meetings.

We have numerous activities planned for the new year and I invite you to check our website to read all the most current news on our planned activities. Visit our

website at <http://www.stpaul.imanet.org> then send us a message and tell us how we can make our website better.

Your ideas are important to us. Tell us how we can add value to your membership experience. This year you can earn the required 30 continuing education credit hours simply by attending our planned activities. At the same time you will be able to build your network of contacts throughout the Twin Cities area. Having a strong network is an absolute necessity in today's economy, and you can never begin building your network too soon.

We hope all of our members will be able to attend at least one of our activities, and hopefully all of them. The chapter exists to serve the needs of our great members. We need your support to be able to continue to provide our members with the services and activities they need to maximize the value of their IMA memberships.

Leo Philben, President 2002 – 2004,  
St. Paul Chapter, IMA

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## **St. Paul Chapter Hosted ~ October Joint Dinner Meeting ~**

**Tuesday, October 21, 2003**

*Social 5:30 p.m. and Dinner & Presentation 6:00 p.m.*

### ***“2003 Survey of Management Accounting”***

**AND**

### ***“2003 Best Practices Survey”***

**Featured Speaker:**

**Debashis Ghosh, Ph.D., Ernst & Young**

- **How is Management Accounting changing as a result of a more competitive economy?**
  - **What new accounting methods have emerged?**
- **How fully have companies adopted new management accounting tools and initiatives?**
  - **What “Best Practices” are best for me?**

**Register no later than Friday, October 17<sup>th</sup>**  
**E-mail registration to Dave Evenstar: [dbevenstar@mmm.com](mailto:dbevenstar@mmm.com)**  
**or call (651) 773-6731 \$25.00 On-site registration \$27.00**

**Location and Parking:**

Meeting will be at the Embassy Suites Hotel – Downtown St. Paul

175 East 10<sup>th</sup> Street  
(651) 224-5400

For directions and parking information visit [www.embassysuites.com](http://www.embassysuites.com)

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## **The St. Paul Chapter July Board Minutes**

### **Call to Order**

Leo Philben called the meeting to order at 5:30 pm, Monday, August 19, 2003 at Chevy's in Bloomington.

### **Attendees**

Andy Benjamin, Cathy Healy, Wendy Degler, Jim Seitz, Michael Wahowske, Tripp Parker, and Leo Philben. Members Absent John Stephani, Dave Evenstar, Shahla Dreyer, and Dave McMahon

### **Secretary's Report**

Leo Philben furnished a copy of last month's meeting minutes to all board members. After review by the members, there were no objections to adopting the meeting minutes into chapter records.

### **Treasurer's Report**

Andy Benjamin presented the July financial report to the board members. After review and discussion by the board members, there were no objections to approving the Treasurer's report into the permanent chapter records. Leo Philben asked the board members present to look at an expanded cost analysis of our dinner meeting expenses and income from last year. The question to answer is if it is time to raise the price of attendance at our monthly membership dinner meetings. It was agreed that more detailed information about our dinner meeting expenses and income is needed. This topic will be addressed again at the next meeting.

### **Administration Report**

**No update to last month's report.**

### **Membership Report**

Mike Wahowske reported on progress made on name tags for members attending dinner meetings. Mike will get some cost estimates and include them in the budget.

### **Education and Speaker Schedule Update**

Wendy Degler provided an update of the final seminar results, as well as the speaker schedule. All monthly dinner meeting dates are identified, as well as speakers, topics, most locations, and other needed information.

### **Communications Report**

Tripp Parker discussed the quality of the member's information given to him to use in the publishing of the membership roster. A query would be made to determine if a better members report could be found for publication of the membership roster. August 25, 2003 is the deadline for submissions to the printer, and information should be finalized within the next few weeks for printing. Printing of the 2003 - 2004 rosters will be limited to between 100 and 125 copies. Tripp will coordinate with printer on printing and mailing monthly newsletter and he will obtain a price estimate. Tripp presented his 2003 - 2004 communications plan to the President.

## New Business

Discussions surrounding the costs of the dinner meeting, as well as using “Chapter Bucks” to incent increased member participation ensued, but no decisions were reached. Additional information will be gathered during the next month, and these topics will be discussed at the next meeting.

## Next Meeting

The next chapter board meeting will be held on Tuesday evening, September 23, 2003 beginning at 4:30 at the Double Tree in St. Louis Park.

## Meeting Adjournment

There were no objections to adjourning the meeting.

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## Bottomline News

The Bottomline monthly newsletter is available to our members **electronically** this year on our website <http://www.stpaul.imanet.org>. **Those members who receive the newsletter by mail will have to let me know if they still want to continue receiving it by mail. If I do not hear from you, you will be dropped from the mailing list.** cathy\_healy@hotmail.com or 612-719-8091.

## Member Information Updates

If you have a change in employer, address, email, or other member information, **please make the change on the National IMA website [www.imanet.org](http://www.imanet.org)**. All changes will be forwarded to our chapter. If you have questions about how to update your information on the National Website, please contact Cathy Healy 612-719-8091 or [cathy\\_healy@hotmail.com](mailto:cathy_healy@hotmail.com). Updating the website is extremely helpful to the chapter, since we are **spending printing and postage costs to mail newsletters and rosters to those members that have not put their email address on the National website.**

Newsletters are available on our chapter website go to the National website select chapters and councils then select St. Paul Chapter. This will bring you to our website. Check it out. <http://www.stpaul.imanet.org>.

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### Implementing an Employee Recognition Program

Many accounting managers today are taking on greater responsibilities and have their hands full just staying on top of their own projects. But no matter how large their to-do lists get, they still need to take time to recognize the accomplishments of their teams. Praising a job well done shows employees that what they do is appreciated, reinforces positive professional habits and motivates staff to continue working hard. Creating a recognition program, which honors team members for reaching or exceeding specific goals, will help you improve productivity and retain your top performers.

Below are some steps for developing an employee recognition program:

- \* **Identify your goals.** All program goals should align with corporate objectives and continually evolve to meet your needs and the needs of your team. However, your recognition criteria and rewards will differ depending on what you specifically hope to achieve. For instance, if you want to speed up your month-end process, you may promise that if it's completed within a certain time frame, the department can leave early the next afternoon. Or, if you're trying to boost employee morale, you could bring in snacks in

honor of a staff member who worked overtime to help a colleague.

\* **Remember that the team is the focus.** Get the most out of the process by determining which program elements - such as challenges, rewards and measures of success - your staff will respond to most favorably. Involve employees during the program's developmental stages and solicit their feedback regularly.

\* **Don't rule out simple awards.** If you have the budget, consider monetary incentives. But awards don't have to be expensive. A sincere thank-you note can be very effective in expressing your gratitude. Other inexpensive options include a plaque, an extended lunch period and a story in your company's internal newsletter.

\* **Establish realistic criteria.** All employees should be able to achieve the success required for an award. Set goals that are fair and measurable yet challenge people to exceed expectations.

*Accountemps is the only national staffing firm to provide free access to CPE credits through live presentations and online courses.*

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## Resources


### Statements on Management Accounting

Statements on Management Accounting (SMAs) present the views of IMA regarding management accounting and financial management issues. In their development, the Statements are subjected to a rigorous exposure process and are published only upon approval by IMA's Management Accounting Committee. SMAs are classified

based on IMA's Framework for Management Accounting:

1. Objectives
2. Terminology
3. Concepts
4. Practices and Techniques
5. Management of Accounting Activities.



Those SMAs marked  on the IMA national Website ([www.imanet.org](http://www.imanet.org)) can be downloaded free by members. In addition, two SMAs 4P and 4T are available for download on the web.

The following is just a sample of statements included in each topic.

**1B "Objectives of Management Accounting"** (1982). Within the context of the principal objectives providing information and participating in the management process, SMA 1B outlines and explains sets of Responsibilities, Principal Activities, and Processes that relate to the work of management accountants.

**2A "Management Accounting Glossary"** (1990). Contains definitions of terms considered most relevant to management accountants. Definitions come from a variety of sources, ranging from original contributions to official definitions found in the authoritative literature. Sources are referenced.

**4A "Cost of Capital"** (1984). A practical guide to understanding and computing the cost of capital. The Statement provides several alternative ways of computing cost of capital and discusses the factors to be considered in determining the most relevant approach in specific circumstances.

**5A "Evaluating Controllability Effectiveness"** (1990). SMA 5A is intended to help controllers measure and evaluate their performance. It defines standard controllability functions, identifies key areas for evaluating each function, recommends a methodology for structuring a self-assessment, and provides generic checklists to help controllers measure and evaluate their performance.

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## Resources

### Foundation for Applied Research

In 1919, the Institute of Management Accountants (IMA) then known as the National Association of Cost Accountants was the first organization established to conduct research for the management accounting profession. Through excellence in research, the IMA provides business decision makers with information of strategic importance. More than 500 researchers have produced more than 250 studies.

In recognition of the vital role of IMA's research, The IMA Foundation for Applied Research, Inc. (FAR) was formed in 1994, IMA's 75th anniversary year. The founding trustees' intent was to assure sufficient resources, both human and financial, to sustain and augment IMA's role as a valued center of research on the most important practice issues of the day, while identifying financial management trends to meet the challenges of the next millennium.

Trustees who oversee FAR's research activities represent management accountants and financial professionals from Corporate America to academe. Collectively, they have established research priorities to address the following questions:

1. How can management accounting and finance best contribute to improving competitiveness and achieving continuous improvement in the enterprise?
2. How does management accounting affect management behavior?
3. What are important emerging cost management and performance measurement techniques and issues?
4. How is globalization affecting management accounting and finance?
5. How is emerging technology being used to improve management accounting effectiveness?

## **FAR's Mission**

FAR's mission is to develop and disseminate timely management accounting and financial management research findings that can be applied to current and emerging business issues.

## **Research Process**

Topics are identified with input from FAR's constituency base. A [call for research](#) is issued

to the research community. FAR trustees select the research team and establish a project committee of subject matter experts to work with the researchers in developing FAR's research. Guidelines for submitting proposals can be obtained by contacting Susan Bender, (800) 638-4427, ext. 1543; e-mail: [research@imanet.org](mailto:research@imanet.org). Representatives of FAR maintain relationships with various standard-setting and regulatory bodies, as well as other professional accounting organizations, to monitor and influence proposals and participate in cooperative studies. Findings are presented at conferences and seminars and are published as monographs or books.

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## **Resources**

### **What Corporate America Wants in Entry-Level Accountants**

On the national website you can find the above book in its entirety. The following is a snippet of what is covered.

#### **Accounting Knowledge and Skills Areas (AKSAs)**

- Fifteen broad accounting knowledge and skills areas (AKSAs) were selected from the content specifications of professional accounting examinations. Respondents used a 0-to-100 scale to rate the importance of each AKSA for work in an entry-level management accounting position. Budgeting and product costing received the highest mean importance scores: 75 and 69, respectively. Not surprisingly, the AKSAs with the highest importance scores typically are viewed as the essence of management:
  - Budgeting
  - Working Capital Management
  - Product Costing
  - Strategic Cost Management
  - Asset Management
  - Control & Performance Evaluation
  - Consolidated Statements
  - Information System Design
- AKSAs considered least important for entry-level management accounting positions generally do not fall in the domain of management accounting. For instance, individual income taxation and accounting for government and not-for-

profit organizations received the lowest mean importance scores: 31 and 28, respectively.

## Preparation Gap

- University accounting programs do not emphasize the appropriate AKSAs for management accountants.

Respondents used a 0-to-100 scale to indicate for each of 15 AKSAs: a) the degree of academic preparation they expect entry-level management accountants to have, and b) the actual degree of preparation that a typical entry-level accountant brings to the job. The "preparation gap" is the difference between expected and actual preparation and is shown in Figure 1. A positive preparation gap indicates that expected preparation exceeds actual preparation. A negative preparation gap indicates that actual preparation exceeds expected preparation.

AKSAs that respondents consider most important are typically the AKSAs in which entry-level management accountants are less prepared than expected.

In contrast, the AKSAs considered least important are typically those in which entry-level management accountants bring more preparation to the job than executives expect.

## Difference Between Management Accountants and Public Accountants

- Nearly two-thirds of respondents -- 63% -- believe that there is a "major difference" or "some difference" in the skills and knowledge necessary for entry-level accounting positions in corporations vs. public accounting firms. About 20% say there is "little difference," and 16% say "no difference."

Respondents view entry-level management accountants, compared to entry-level public accountants, as having more "hands-on" responsibility and greater involvement in all aspects of the business. Respondents believe that this involvement requires a broader perspective of how businesses operate and how decisions are made.

## Emphasis on Management Accounting vs. Public Accounting

- The majority of respondents -- 55% -- believe that university accounting programs place too much emphasis on public accounting and not enough emphasis on management accounting. About 20% think the mix between management and public accounting is about right. Four percent believe there is insufficient emphasis on public accounting, and 21% had no opinion.

## Preferred Educational Background

- Respondents prefer job applicants who possess a bachelor's degree rather than a master's or associate degree. The preferred college major is accounting. Nearly 60% of the respondents prefer job applicants who possess a bachelor's degree, and about 20% would prefer to hire a job applicant who possesses a bachelor's degree that includes an internship program. Fewer than 3% prefer job applicants with a master's degree.

## Opinions on a 150-hour Educational Program

- Thirty states have passed legislation that increases the educational requirement for licensure as a CPA from a bachelor's degree (typically about 120 semester hours) to 150 semester hours. There is no such requirement for management accountants.
- Respondents are split on whether people interested in pursuing a career in management accounting should be encouraged to take 150 hours of college education.
- While many in Corporate America favor continuing education beyond the traditional 120-hour bachelor's degree, there is no mandate for entry-level management accountants to complete a 150-hour educational program before beginning work.
- The results strongly indicate that the decision to hire a job applicant rests more heavily on the specific courses completed than on the number of credit hours the job applicant has earned.

## IMA Schedule—2003-2004

Date	Chapter	Special Event	Speaker	Topic	Location
October 21	St. Paul	CMA/CFM Recognition	Greg Jaeger, Wells Fargo	Risk Management relating to financial analysis	Embassy Suites
October 28		Seminar	Bill Herzog- Course Charters LLC	Dynamics of a Turnaround	Doubletree
November 18	St. Paul	Past President Recognition	Bette Frick, PHD - The Text Doctor	“That’s a good question”	Toby’s on the Lake
December 9	Minneapolis		Karen Anderson	Better Business Br	Doubletree
January 20	Minneapolis	New Member Night	Michele Roepke- VP Human Resources, Metris Companies, Inc.	HR in a Controllors World	Doubletree
February 19	St. Paul	Student Night	CFO/Controller – Red Cross	Not for profit accounting	St. Paul Grille
March 24	Minneapolis		Mark Thomas- Ballistic Recovery Systems	General Aviation Safety Industry	Doubletree – St. Louis Park
April 27		Seminar	Best Buy	Issues involved in the move	Best Buy HQ
April 20	St. Paul	Bring a Guest	Federal reserve Economist	“Beige Book”	Radisson, Roseville
May 11	Minneapolis	Sponsors Appreciation	Steve Lear- Affiance Financial	Personal Investments, 401K plans	Doubletree

## INSTITUTE of MANAGEMENT ACCOUNTANTS

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