

# ADDRESSING THE FORCES OF GLOBAL CHANGE

## UNDERSTANDING OUR MARKETS

CIMA exists to help people and businesses succeed in an increasingly fast-changing and uncertain world. This means we must ensure our offering and approach are always relevant to all our stakeholders – not just to our members and students, but to employers and society as a whole.

So we constantly and proactively monitor the global market place for changes in what the business world wants and needs, ensuring that we are fully abreast of the latest global business trends and developments in the private and public sectors. This helps us detect emerging opportunities and risks at the earliest moment. And that enables us to evolve our syllabus, research programme and overall approach, in parallel with the real needs of the real world.

We use a wide range of techniques to analyse our findings, including PEST and SWOT analyses, Porter's Five Forces, the GE Multifactor Matrix, monthly competitor reports and scenario planning. It is vital that the analysis we end up with inspires dynamic and innovative thinking, the only way to ensure we remain competitive and fit for purpose in our complex, ever-shifting global market environment. So we also embrace the lessons of Kim and Mauborgne's *Blue Ocean Strategy* to break the shackles of received wisdom and inspire original creative thought.

Only then do we map our analysis against our business model and strategy to ensure their ongoing relevance and resilience.

*Plotting a successful course*



## GLOBALISATION

*People everywhere are becoming connected and affected by events in far corners of the world.*

In last year's report, we highlighted the three overarching global trends – globalisation, digitalisation and acceleration – that most affect our market. These are the forces with the greatest impact on organisations' ability to achieve sustainable success through new structures, business models, policies and strategies. That makes them fundamental to any discussion of CIMA's market.

Business influence and power are spreading across the planet – today, two-thirds of global GDP growth is driven by 600 cities, up from a fraction of this number just 20 years ago.

As this happens, blurring boundaries are driving increasing cross-border competition, not just among organisations but also between types of accountancy designations, MBAs and other business qualifications. CIMA and the AICPA responded with the CGMA designation, but we are far from alone in recognising the importance of co-operation in becoming more global; the ACCA has discussed a strategic partnership with the US-based Institute of Management Accountants (IMA), and the 2013 launch

of Chartered Accountants Worldwide (CAW) brought together over 310,000 chartered accountants from the UK, Australia, New Zealand and South Africa.

We understand that in a globalised world localism counts too. Some national governments are attempting to instigate protectionist policies. And across the world, businesses are becoming increasingly dependent on employees with languages other than English; in fact, recent Bloomberg research shows that Mandarin is rapidly catching English as the world's most useful language for business.

So, to be relevant everywhere we operate, CIMA must think and act both globally and locally.

## ACCELERATION

*Changes touch us on many levels, and jobs, friends, interests, home, knowledge, news and ideas change faster than before.*

The changeable nature of the skills and roles that are of greatest value in the workplace is leading more people towards a non-linear career path, where moving laterally within an organisation is increasingly seen as normal. This means that people need to learn numerous skillsets during a career, rather than concentrate on developing just one or two.

Constantly evolving generational characteristics, too, mean that Generations X and Y are perfectly attuned to fast-changing technologies, with social media at the heart of their interactions.

The emerging culture is one that values bite-sized knowledge, where people only learn what they have to when they need it. This is moving people towards 'just-in-time' learning, and higher education is becoming more modular as a result.

## DIGITALISATION

*Transcending communication alone, digital technology is enabling new processes and instruments that drive the global knowledge revolution.*

As traditional accounting skills are being replaced by technological applications, management accounting is set to become more focused than ever on strategic decision making. This will affect what members and students need to learn.

And technology is increasingly affecting how our members and students learn. It provides them with the flexibility to choose where and when they study. Today's young professionals have grown up with the internet, and it is second nature for them to learn online and work collaboratively in social networks. So

learning materials (including Continuing Professional Development (CPD)) are widely available in ways that meet their needs; and examinations too are making the move online.

But there are emerging downsides too. The transparency of the internet means there are no barriers to entry for newcomers, resulting in a tidal wave of new sources of free online tuition. Not only does this make it harder for traditional providers to charge sensibly for their materials, it is also a serious challenge to the maintenance of appropriate quality standards.

## BUSINESS ISSUES THAT ARE MATERIAL TO OUR SUCCESS

We must ensure that our business model has the built in sustainability that makes organisations and individuals see us and the CGMA designation as the first choice in management accounting. To them, the relevance of our offer is what really matters. So we use market scanning processes and senior management discussions to identify and respond positively to those issues with the greatest potential impact on our ongoing relevance.

As a consequence of this, the material issues identified this year, and our responses, are as follows:

- **The CIMA qualification must be differentiated from the competition in the eyes of employers and prospective students:** we use our syllabus, thought leadership and relevant new research to distinguish the CIMA and CGMA brands and reputation

- **We must cater for changing attitudes towards education:** as well as online teaching and assessments, we provide various alternative pathways to our qualification, from full membership to modular options that satisfy demand for just-in-time learning
- **Relevance means CIMA members and students must have the skills businesses want:** we use the syllabus, research programme and employer relationships to ensure that people are equipped with the right skills
- **People and businesses need a qualification that transcends boundaries to be relevant everywhere:** our joint venture with the AICPA provides a globally recognised and relevant management accounting designation – the CGMA
- **No organisation can achieve global success on its own:** effective collaborative partnerships, such as those with Pearson VUE\* and tuition providers, are key to our sustainable success
- **Coping with rapid change on a global scale is demanding:** agility is key to meeting all the challenges we face, and we have developed a flexible, nimble structure that can respond quickly and decisively
- **As the leading global authority we must define the management accounting space:** our Global Management Accounting Principles®, produced in conjunction with the AICPA, will set out what global best practice looks like and enable businesses and organisations across the world to have the very best management accounting systems in place.

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