

Qualified Opinion

Volume LVIV

September, 2009

Number 3

At a Glance:

Next Meeting:

Sept. 17, 2009

Carlyle's Grill

3660 Jackson Rd

Ann Arbor, MI

(West of Wagner Rd, at Quality Cinemas)

Pre-Dinner Meeting: 5:45pm, \$12

Speaker: Douglas Hicks, CPA, CMC

Topic: "Does Your Company's Accounting Information Undermine Its Profitability?"

After-Dinner Meeting: 7:00pm, \$25

(includes both meetings and Dinner)

Speaker: Douglas Hicks, CPA, CMC

Topic: "Turning Strategy Into Execution With Performance Measurement."

Carlyle's *NEW* Menu

Rotisserie Herb Chicken

Jumbo Lump Crab Cakes

Pecan Crusted Chicken

Pasta Carlyle with Shrimp

House Smoked Baby Back Ribs

Salmon

Steak Frites

Eggplant Parmesan

Blackened Chicken Alfredo

RSVP TODAY! Make your reservation today with Mary Cortese at mfcgram@yahoo.com or call her at (734)-434-6218

RSVP for Sept 17th Meeting!

Douglas T. Hicks, CPA, CMC, will be speaking **Thursday September 17**. He is President of **D. T. Hicks & Co.**, a consulting firm concentrating on the decision costing needs of small and mid-sized organizations. Before establishing his firm in 1985, he accumulated over fifteen years of financial and management accounting experience, twelve of those years in industry. A graduate of the University of Michigan – Dearborn's School of Management, he is a member of the Michigan Association of CPAs, the Institute of Management Accountants and the Institute of Management Consultants. In 1997, he received the University of Michigan - Dearborn Alumni Association's Professional Growth and Scholarship Award for his work in advancing modern costing concepts.

Since 1985, Doug has worked with nearly two hundred businesses to develop cost-effective methods for developing the accurate and relevant cost information they need to lead them into a more profitable future. This work has resulted in the "abc" solution™, an "activity-based" decision support process, originally designed for small and mid-sized organizations, but one that has proven to be effective for larger organizations as well.

**** Upcoming tour ****

We booked two Zingerman's Bakehouse tours on Saturday October 10, 2009. (10 am and 2pm). This is a Chapter sponsored event. See details on the last page. Sign up now by calling Hyun-Jin Choi at (734) 222-6572.

Stewards vs. Game Players ¹

By Douglas T. Hicks, CPA, CMC

Over the years, I have found that decision makers fall into two major categories: those who view their company as if it were a living entity and those who view it as a game. Those viewing their organization as a living entity act as if they were given stewardship of the organization during a particular period of its life. We'll call these individuals *stewards*. Their objective is to pick up where the previous steward left off and provide the organization with the guidance and nurturing necessary to continue its development until the time comes to pass the stewardship to another individual. Those viewing their organization as a game (we'll call these individuals *players*), look at their organization as a contest in which they must run up the highest score from the time they begin the game until they are either dismissed or they find another game to play. They don't really care about anything that took place before they began the game or anything that takes place after they leave the game.

Perhaps a good analogy is to look at an organization as a team of young baseball prospects and the decision maker as its coach. The steward will take into account the athletes' intellectual, emotional, and physical maturity, visualize the long-term objectives of the team, and coach to a set of interim goals that will keep moving the team toward its long-term objectives. The steward will build on what previous stewards have accomplished and do nothing that would jeopardize the success of the team after his or her own tenure has ended.

The player, on the other hand, will risk the long-term health of the young prospects by pumping them full of steroids to make them stronger and faster during his or her tenure. The player will teach the young, fragile-elbowed pitchers to break off curves, screwballs, and split fingers despite the risk of permanent damage to their still developing arms. The player will do everything possible to win as many games as possible by as big a margin as possible until his or her job as coach ends. To a player, neither the condition of the team nor any individual team member at end of his or her tenure is of any consequence.

For reasons that may be obvious, most of the stewards I've observed work for family-owned companies. This does not mean that most family-owned businesses are managed by stewards - many family-owned businesses are managed by game players - it just means that most stewards fall into this category. Whether family members or hired guns, these decision makers see the organization as a living entity that needs to be guided and nurtured in a way that will allow it to survive and grow over the long-term and generate wealth for the family for generations to come.

Unfortunately, the short-term perspective of most twenty-first century business organizations puts a much greater premium on the abilities of the game player than on those of the steward. The long-term health of the organization is sacrificed for the illusion of short-term success. The decision managers have no intention of being around long enough to suffer the long-term effects of their short-term game playing so they don't care. The investors have the intention of finding "suckers" to buy the business at a premium sometime before the chickens come home to roost, so they don't care about the long-term effects either. Both groups view it all as a game.

Albert Einstein once said, "We can't solve problems by using the same kind of thinking we used when we created them." As management accountants, maybe we should find ways to change management's perspective so we can keep our nation's economy strong for our children and grandchildren.

1 Excerpted from *I May Be Wrong, But I Doubt It: How Accounting Information Undermines Profitability* by Douglas T. Hicks available at www.lulu.com and www.amazon.com.

2009 Conference Planning Update

Sponsored by the IMA Michigan Council and Robert Half International

Thursday, October 29, 2009 | Kellogg Center, Michigan State University, E. Lansing, Michigan

Click on this link to register:

www.123signup.com

Morning Session	
8:00 - 8:30 AM	Reception & continental breakfast; Participant welcome
8:30 - 9:25 AM	<i>Economic Update</i> Greg Prost, CFA Chief Investment Officer Ambassador Capital Management
9:25 - 10:20 AM	<i>Accounting, Auditing and Tax Update</i> Presented by the Rehmann Group Timothy J. Giacoletti, CPA, MST, Principal Lisa M. Newland, CPA, Tax Manager
10:20 - 10:35 AM	Morning Break
10:35 AM - Noon	<i>International Financial Reporting Standards (IFRS)</i> Bobbe Barnes, CPA, CMA, CGFM Educator and Consultant
Afternoon Session	
Noon - 1:30 PM	Lunch, Awards and Keynote Speaker Awards and Recognition: Chapter awards and other special recognitions Chris Mishler 2009-2010 IMA Michigan Council President Keynote luncheon speaker: Sandra B. Richtermeyer, Ph.D., CMA, CPA IMA Chair-Elect
1:35 - 2:30 PM (15 minute break at 2:30 PM)	<i>"Excellence in Financial Management "</i> Glenn Barba, CPA VP, Controller and CFO CMS Energy and Consumers Energy
2:45 - 4:25 PM	<i>"IMA Ethics Series: Success Without Compromise"</i> (with Ethics Case) Moderated by: Julie Goldman, CMA Associate Adjunct Faculty, Northwood University Immediate Past President, Saginaw Valley IMA Chapter
4:30 PM	Summary and business card exchange

**** Upcoming tour ****

We booked *two Zingerman's Bakehouse* tours on [Saturday October 10, 2009](#). (10 am and 2pm)

The tour takes about 90 minutes including free samples. People can bring cameras to take photos. The chapter will pay the tour fees so that it'll be a free tour. **For their safety, no children under 6 please.... We have reserved two times 10 a.m. and 2 p.m.** IMA members, their families & friends are all welcome. Meet at ***Zingerman's Bakehouse***, Address: 3711 Plaza Drive Ann Arbor MI 48108. near the airport. Tour as a group. **Make your reservation** early to join us for the ***Zingerman's Bakehouse* tour**. The contact for reservations is **Hyun-Jin Choi**, You can make your reservations by calling Hyun-Jin at (734) 222-6572, or for any questions regarding the tour

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Change of Address Instructions

Please update your address, phone, and email at the IMA national web site www.imanet.org.
ALSO email Jim Casper at jcasper@provide.net so that our Chapter has your updates.
If you have questions, call our local chapter board member Mary Cortese at 734-434-6218.