



MYRIAM MADDEN FCMA, CGMA  
President

## BUILDING FOR SUSTAINABLE SUCCESS

In 2015 we delivered a number of significant, strategic initiatives which will enable CIMA to achieve sustainable success for the benefit of our members, students and partners. Ultimately, our activities have been focused on driving better business around the world through good decision making from skilled CGMAs making them relevant to the business environment and strengthening their employability.

We recognised that in order to keep pace in the volatile, ever-changing world we live in, we needed to ensure that our long-term vision was relevant and is right for our members and students. Our focus is on our current members and on our future members. This has meant staying ahead of the curve, being the first to use modern-day and future technologies in innovative ways to respond to their long-term needs.

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As our Chief Executive Charles Tilley will go on to explain, 2015 became the year of implementation – focusing attention on making changes with our members in mind. In an evolving business environment, we are on the cusp of changes in behaviours across the world in technology, environment and society. 2015 was the ideal time to innovate and shape the future of the management accountancy space to make sure we could continue to differentiate our offering and that of our members from the competition.

### The challenge of change

2015 has not been without its challenges – as all periods of change inevitably are. Through this period of strategic evolution, member satisfaction with CIMA declined by 7% on the previous year. We are working hard to rectify this, and are developing our processes and communication to match those delivered by the world's leading organisations. We are also confident that the joint venture evolution, with its focus on enhancing members' careers and recognition, would have a positive impact on member satisfaction in the years to come.

Indeed, I was very pleased in 2015 to welcome our 100,000th member to CIMA, Samalka Athuraliya ACMA, CGMA in Sri Lanka. I had the pleasure of meeting Samalka while celebrating 50 years of CIMA in Sri Lanka and can testify to the fact that she is an impressive and driven young CGMA and one of our most inspiring advocates.

 [See Our Value Creation Story to read an interview with Samalka on pages 18-19](#)

Diversity and inclusion is incredibly important and something I have strongly advocated for during my presidency. From a management accountancy perspective it is essential that organisations promote inclusive mind-sets, cultures and working practices. Because silo mentalities and cultures can result in the provision of narrow management information which isn't relevant and doesn't provide insight – which in turn can lead to bad and myopic decision making and associated risks.

As a female leader, it will come as no surprise that I have a particularly strong interest in gender. I therefore feel it's important to point out that, despite our students being divided almost equally between men and women, this is still not fully reflected in our membership. While 37% of our associate members are women, at our senior, fellowship level, men continue to represent 89%. However, our student female to male ratios are more balanced with a 45:55 ratio respectively. With these trends we expect to see further progress over time, reflecting our own efforts to secure inclusion across CIMA itself so that we are ever-more relevant, as we discuss in the Our resources and relationships section of this report.

### Gender diversity %

<b>45%</b> female students	<b>37%</b> female associate members	<b>11%</b> female fellow members
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### An innovative exam platform

In 2015 CIMA also evolved its syllabus and assessment to further embed competency, and reflect the nature of on-demand digital culture and the professional and personal lives of our students. CIMA is enabling business to secure 'job-ready' employees.

We updated our syllabus in line with what businesses said they needed and comprehensive research to develop practical competency for employability alongside the qualification. We put the students' needs first, understanding their changing behaviours and revised the syllabus to



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be more viable, usable and adaptable to fit in better with the busy lives of our future members.

We took the bold decision to change the way our exams are taken in a digital, technology-driven world, anticipating market changes, and the needs of our students. Remaining ahead of competitors, we created an innovative, 'on-demand', online, anytime, anyplace exam platform to achieve success and pass exams first time with fewer resits.

The necessary changes this activity entailed led to caution in the market and had an impact on revenue, as discussed in detail in our Chief Executive's statement.

#### **Creating value**

All of us at CIMA firmly believe the steps we have taken in 2015 were strategically important and an essential evolution in the context of an ever-changing operating environment. From the strong foundations we put in place this year, I am excited about the sustainable value we will create and the significant benefits we will secure for our members and students in 2016 and beyond.

Ultimately, our syllabus is fit for purpose because it meets the needs of business and students. This benefits our members and students who can be confident that CIMA continues to lead – and indeed own – the management accountancy space.

#### **Joint venture evolution – CIMA and the AICPA**

As the President of CIMA and leader of its 100,000 members, my core focus in 2015 was the proposed evolution of our joint venture with

the AICPA. This would build upon the existing partnership and ongoing successes including the Principles; a stream of impactful, rigorous thought leadership and reports; and the CGMA Competency and Learning website. Through the extensive governance work of the CIMA Council – made up of highly skilled CGMAs from across the world – I am confident that the proposed next step to be taken in our joint venture would enable us to be at the forefront of driving standards and professionalism here and around the world. It would power up our members' CGMA designation as the global calling card of excellence in management accountancy.

Importantly, I believe Council's endorsement of the joint venture evolution with the AICPA was reached after a rigorous review, with a clear focus on CIMA's key strategic priorities. This ensures that CIMA's activities and strategy continue to promote and develop the science of management accountancy. The aim of the joint venture is to accelerate CIMA's vision to be more relevant in our fast-paced business world.

In such a year of significant evolution, I would like to thank all Council members for the extensive commitment of time they made to rigorously reviewing and analysing the management team's proposal to create the new Association with the AICPA. This has required them to give up significant amounts of their own time on behalf of the whole membership, for which I am very grateful.

With our members' endorsement, a new Association would also effectively leverage the significant value we have already secured since partnering with the AICPA in 2011.



**MYRIAM MADDEN FCMA, CGMA**  
President



**CHARLES TILLEY OBE, FCMA, CGMA**  
Chief Executive

## A YEAR OF CHANGE AND INNOVATION

*'We are at the forefront of innovating to remain relevant in the management accountancy space and continue to adapt our offering to be more relevant to the needs of our members, students, partners and the profession.'*

2015 has been an exceptional year. It's been a challenging but strong year of implementing change. In a plan, which began in 2014, to build a robust long-term sustainable future for our members and students, we have worked to remain at the forefront of the management accountancy space within an uncertain world.

This is nothing new to CIMA. Indeed from the birth of the institute in 1919 we have evolved at critical junctures in our history to remain ahead of the pack. 2015 represents such a tipping point and I truly believe the innovation we have invested in and implemented will reap rewards for our members, students and partners around the world going forwards.

2015 was the year of executing key initiatives to position management accountancy at the heart of successful private and public sector organisations around the world. These initiatives are transformative. They recognise and capture opportunities in a rapidly changing world and will ensure CIMA accelerates its position as the clear leader in the management accountancy space.

- We launched our updated competency-based syllabus and new assessment. In terms of the on-demand exam, this means no more late bookings and almost zero 'no shows'; free and unlimited rescheduling; being exam-ready and entering when confident of success meaning fewer resits and the ability for students to only register when ready to take their first exam. This makes exam achievement more realistic and more cost-effective for our future members who can be confident they are exam-ready and will have the skills that are required in the business world
- Significant work has taken place to evolve our joint venture with the AICPA to open global opportunities and reinforce the value CGMAs bring to the market. The joint venture evolution would provide a stronger voice in the accounting arena with 600,000 current and next generation professionals while driving employability and recognition for CGMAs
- To embed our ground-breaking Principles and help differentiate our members' skill set, we developed a universal self-assessment tool to empower organisations to create robust business models, driven by CGMAs. We further created the first ever standard for management accountancy around our Principles with the British Standards Institute which will have global impact.

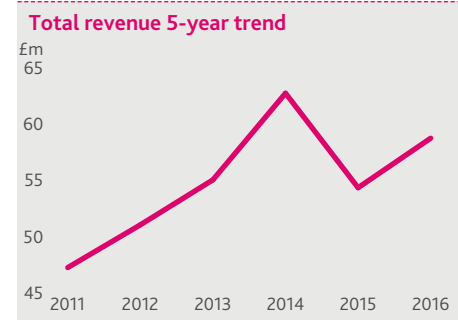
*'I truly believe the innovation we have invested in and implemented will reap rewards for our members, students and partners around the world going forwards.'*

Through these important steps we are maximising the value we can offer our members, students and partners and continue to advance the science of management accountancy.

Alongside upgrading our CGMA Competency Framework in 2014, in 2015 we moved into a dynamic phase of making first-time changes informed by putting extensive research and our long-term strategy into place. In effect, the changes mean that we are at the forefront of innovating to remain the most relevant in the management accountancy space.

#### Implementing change

As with any radical change, implementation and investment had an effect on CIMA. Process changes have inevitably impacted our income. 2015 was a tough, challenging year in this respect and we have seen a significant shortfall in the number of exams taken; a shortfall in student recruitment; and students deferring exam sittings until autumn. This has resulted in around £8m reduction in revenue compared to 2014.



Inevitably, these changes have been managed, and there was encouraging evidence during the latter half of 2015 and beginning of 2016 that confidence is building among students, businesses and other partners.

Indeed, 2015 has been a year of many highlights including:

- The first CGMA Pathway exams were delivered to US Certified Public Accountants (CPAs)
- Exam scheduling has made progress, with a steady upward trend and near 50% increase (between August to November)
- Pass rates have dramatically increased from 46% to 62%
- 4,831 students became members.

These results and our learning from the encouraging trends that we are seeing motivate us to continue to innovate, evaluate and cultivate for the advancement of our members, students and management accountancy as a whole in 2016 and beyond.

As we build on these foundations for future success, we expect the results of 2015 – the year of implementing changes – to improve in the years to come.

#### At the forefront of change

We identified the essentials for long-term success for our members, students, partners and businesses:

- We made a bold investment in and implemented on-demand exams to assess students
- We began working on a self-assessment tool to enable robust business models using the Principles (alongside the Competency Framework), along with the first ever world-class standard for management accountancy
- In close collaboration with the AICPA, we gained momentum as the CGMA designation took off. Together we worked towards a stronger voice for our members and for the profession as a whole.

#### Supporting our differentiation

In effect, we are at the forefront of innovating to remain relevant in the management accountancy space and continue to adapt our offering to be more relevant to the needs of our members, students and partners and to the profession as a whole.

By positioning CIMA as the thought leader in improving decision making and building good businesses, and working collaboratively with the AICPA towards a new Association to provide a powerful, dynamic and relevant voice, we can clearly differentiate ourselves as market leaders. We can place ourselves at the heart of management accountancy needs for businesses in a fast-paced, ever-changing world.

Our value proposition has never been more relevant or powerful and we look forward to establishing the world's most influential accounting Association that is better resourced with the global reach required to advance management accountancy worldwide. Together, we are powering up individuals and businesses to succeed.

#### Building for future success

In 2015 our strategy was to implement change to empower our members and students for long-term success in a challenging and dynamic world. Although this has impacted on our revenue, CIMA firmly believes the steps we have taken and our plans for 2016 and beyond make CIMA not only relevant, but essential to business and to the professional status and to the employability of our members and students.

I look forward to the exciting journey ahead – with our CGMAs empowering tens of thousands of organisations to respond appropriately to the risks and opportunities they face while protecting the value they generate.

Importantly, I would like to thank all members of staff throughout the world who have directly contributed to the ongoing success of CIMA and the careers of our members during a challenging year.

**CHARLES TILLEY OBE, FCMA, CGMA**  
Chief Executive