Distinguish yourself as a strategic leader.

The CGMA® Finance Leadership Program handbook
Discover a lifelong professional learning journey.
Become one of more than 150,000 business leaders worldwide.

You’ve established yourself and developed a strong foundation to get you to this point in your career. Now you’re ready to make a move in a whole new direction. The CGMA Finance Leadership Program is the way you do it. You’ll learn the “intangibles” it takes to become a more strategic, confident, secure and insightful leader. People skills. Management skills. The way you influence and guide groups and decisions within your organization.

It is a transformational experience. But not just a one-and-done type experience. It’s a lifelong journey full of milestones that will continue to push you forward and change you into a business leader. And as a CPA, you have a preferred pathway to the CGMA designation.

This handbook is designed as a broad overview of the program – to provide practical advice and suggestions to better prepare you for the rigors of the pathway to the CGMA designation.

You’ve got the desire. Now get the designation. Start your journey at CGMA.org/Program.
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You’ve got the insight. Now make an impact.

The Chartered Global Management Accountant® (CGMA) designation was established in 2012 in a joint venture between the American Institute of CPAs (AICPA) and the Chartered Institute of Management Accountants (CIMA). With the weight of two of the world’s most prestigious accounting bodies behind it, the CGMA designation has set a new global standard for management accounting.

Based on a pathway of education and experience, the CGMA Finance Leadership Program is a lifelong journey of professional learning and development that leads to the CGMA designation and beyond. Whether you work in corporate, not-for-profit, government or public accounting, you’ll get the learning and resources you need to become a strategic business leader with the ability to drive decision-making, influence your business and advance your organization’s goals.

You’ll also develop the ability to research, analyze and present strategic business insights, underpinned by the skills you need to influence people within your organization. Adding the CGMA designation to your CPA tells the world you have the ability to integrate technical accounting proficiency with business, communications and strategic expertise.
“The CGMA program helped me gain knowledge in areas I don’t have direct experience with. In the long-term, I’ll be ready to add value and make an impact when I’m called on to make strategic decisions.”

Ibrahim Sadat Daboh, CPA, CGMA
Director
JBS
CGMA Finance Leadership Program

The CGMA Finance Leadership Program guides you into the future by developing the skills needed to drive better business decisions. You'll become a more strategic, confident and insightful leader as you progress toward the designation.

You've got the passion. Now get on the CGMA program pathway.

- Self-assess
- Plan your journey
- Start development
- Consume CGMA Learning
- Gain experience
- Explore Harvard ManageMentor®
- Play CGMA for a Day
- Take mock exam
- Review case studies
- Study pre-seen materials
- Sit for the CGMA exam
- Obtain the CGMA designation
- Use member benefits
- Outline lifelong learning

Plan
You can begin your journey here or at any other point along the way.
Apply
Anchored by the CGMA Competency Framework, the program instructs an integrated mastery of accounting and finance skills in the context of the business, along with leadership skills.
Visit cgma.org/competencyframework and see how you stack up.

Assess
The CGMA exam is an integrated, comprehensive strategic case study that assesses the competencies required in today’s business environment.
Learn more at cgma.org/exam.

Award
The CGMA designation elevates the profession of management accounting and proves you’re a financial professional who is at the forefront of today’s management accounting world. The CPA, CGMA combines a well-established, highly recognized and valued U.S. accounting credential with a globally recognized management accounting designation.
Explore cgma.org/aboutCGMA to see experience requirements and qualifications.

Membership and lifelong learning
Continue your journey of leadership, strategic decision-making and guiding the future of your organization and the profession of management accounting on the AICPA | CIMA Competency and Learning website. CGMA tools, webcasts, reports and research will constantly challenge your thinking and keep you at the forefront of your profession, giving you a competitive edge.
Visit competency.cgma.org to find the tools you need to succeed.
You have the passion. Now make a plan.

Self-assess your level of knowledge and plan your journey of competency development.

The CGMA program is based on the CGMA Competency Framework. It is designed to help management accountants and their employers understand the knowledge requirements and assess the skills needed for both current and desired roles.

The Framework is the foundation that demonstrates the relevance and capabilities of a CGMA designation holder as a trusted finance and business strategist. It is underpinned by the need for objectivity, integrity and ethical behavior, and it includes a commitment to continuously acquire new skills and knowledge.

To ensure all CGMA designation holders have the technical accounting and finance skills expected of a professionally qualified management accountant, the CGMA exam is assessed on the competencies outlined in the Framework. The exam is scored according to this approximate breakdown: Technical, Business, Leadership and People = 91% (or 21–23% each). Integration = remaining 9%. It is critical that Program participants demonstrate competency in all four areas to earn maximum marks.
“The CGMA program really pushed me to think about taking my knowledge one step further beyond just producing accurate financials — getting to the story in the results.”

Staysha Titus, CPA, CGMA
Manager, Corporate Accounting and Reporting
Molex, LLC
Knowledge outline

The CGMA program develops and assesses the competencies required in today’s business environment: technical knowledge in strategic management accounting and research, synthesis, analysis and evaluation; the ability to lead and influence; and skills in presenting and communicating information. It also gives you the acumen to view businesses and organizations as whole entities, understanding the myriad complexities from a 30,000-foot level.

In the program and case study exam, you’ll apply management accounting knowledge, in real-world business situations, to strategic level tasks, such as advising top management on financial strategy, evaluating and executing strategic initiatives, identifying and managing risk and recommending finance options.
### Strategic management accounting knowledge areas
The body of knowledge contains three main areas of strategic management accounting. See pages 11–15 for the complete outline.

### Applying knowledge areas in business situations
The CGMA exam is equally weighted across the four knowledge areas of the competency framework.

<table>
<thead>
<tr>
<th>Knowledge area</th>
<th>Scenario 1: Your organization is considering an acquisition</th>
<th>Scenario 2: Your organization is considering entry into a new market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical skills: Apply accounting and finance skills ...</td>
<td>Evaluate finance requirements for an acquisition of a competitor, assess risks and advise on the value of a business entity.</td>
<td>Evaluate current financial structure of your business and recommend the most efficient combination and source of finance to launch a new major business development project to enter into a new market.</td>
</tr>
<tr>
<td>Business skills: In the context of the business ...</td>
<td>Show understanding of the market environment, advise on impact to value chains and systems, and recommend strategic options.</td>
<td>Identify key factors influencing the new market and risks that should be considered. Recommend strategic options how to best enter the market.</td>
</tr>
<tr>
<td>People skills: To influence people</td>
<td>Present recommendation to management, advise on how to manage and build alliances with key stakeholders and communicate decisions.</td>
<td>Identify and evaluate stakeholders, and advise on how to manage and build new alliances with key stakeholders in the new market.</td>
</tr>
<tr>
<td>Leadership skills: And lead within the organization.</td>
<td>Evaluate the role of leadership, advise on and manage the resulting change process, coach and mentor staff.</td>
<td>Identify and recommend how to best build an effective team to execute the new project.</td>
</tr>
</tbody>
</table>
“The CGMA designation evidences that I have the ability to analyze and synthesize new information to inform future decisions.”

Christopher Dickson, CPA, CGMA, MAcc
Senior Associate, Deal Advisory
KPMG LLP
## CGMA body of knowledge

The body of knowledge consists of three main areas of strategic management accounting.

### 1. Strategy development and implementation
- Impact of the external environment on an organization
- Strategy formulation
- Strategic analysis
- Leading organizational change
- Strategy implementation and performance measurements
- The role of information systems in organizational strategy

### Learning outcomes
- Understand the competitive environment
- Formulate organizational strategy, provide the overall context for its effective implementation
- Successfully lead and manage change

### 2. Governance and risk management
- Risk identification and management
- Ethics, corporate governance and sustainability
- Management control systems
- Internal controls, fraud and internal audit
- Financial risk evaluation
- Management of financial risks associated with international operations
- Management of risk associated with capital investment projects

### Learning outcomes
- Identify, classify, evaluate and manage risks that could impede the implementation of strategy
- Analyze and apply the techniques, processes and internal control systems required to manage risk
- Manage risks associated with both cash flows and capital investment decisions

### 3. Corporate financial strategy
- Financial strategy development
- Hedge accounting
- Capital structures and debt financing
- Equity finance and dividend policy
- Financial performance measurement
- Mergers and acquisitions
- Business valuation

### Learning outcomes
- Formulate and implement financial strategy to support the overall strategy of the organization
- Evaluate and source the financing required to implement strategy could be obtained
- Develop competencies required to value investment opportunities including divestments, mergers and acquisitions
Plan

Strategy development and implementation

Impact of the external environment on an organization
• Key environmental drivers of organizational change
• Strategic analysis and evaluation methodology and tools, e.g. PEST, Porter's Five Forces
• External demands for sustainability and corporate social responsibility and ways to respond
• Stakeholder management, including government and society and building strategic stakeholder alliances
• Strategic supply chain management to build strategic relationships
• Customer relationship management and analysis

Strategy formulation
• Vision and mission statements and how they orient the organization's strategy
• The process of strategy formulation and types of strategy
• Generation of strategic options, e.g. Ansoff Matrix, Porter's generic strategies and the BCG Matrix
• Diversification and joint methods of expansion
• Acquisition, divestments, rationalization and relocation strategies, in the context of strategy planning
• The roles and responsibilities of board senior management in making strategic decisions
• Identification and evaluation of strategies, including using the suitability, acceptability and feasibility framework

Strategic analysis
• Scenario planning and long-range planning as tools in strategic decision-making
• Value drivers and value chain analysis, and data needed to measure
• Game theory approaches to strategic planning
• Internal environment assessment, e.g. audit of resources, competencies and capabilities for strategy implementation
• Forecasting, trend analysis, system modeling, in-depth consultation with experts, e.g. the Delphi method
• Product portfolio management

Leading organizational change
• Understanding the context of change; internal and external triggers for change
• Types of change, organization change types and resistance to change
• Change management — tools and models to manage the change process, e.g. Lewin's three-step model and Force Field analysis
• Role of leadership in change, strategy communication and in building effective teams, e.g. Kotter's eight steps
• Appropriate leadership styles to implement strategies, e.g. Kotter and Schlesinger's leadership styles
• Impact of change on organizational culture, e.g. the cultural web and McKinsey 7S model

Strategy implementation and performance measurements
• Alternative strategic business unit performance measures, e.g. economic value added, shareholder value added
• Models of measuring strategic performance, e.g. the Balanced Scorecard and the performance pyramid
• Setting appropriate strategic targets with financial and non-financial performance measures
• Linking critical success factors to key performance indicators
• Triple bottom line (profit, people and planet)
• Measuring performance of business units or divisions, and benchmarking
• Communication of strategic performance targets and concept of stretch targets

The role of information systems in organizational strategy
• Information technology and systems requirements for successful strategic implementation
• Classification of knowledge, knowledge management systems and knowledge-based organizations
• Contemporary developments in the commercial use of the Internet, e.g. social, digital marketing, virtual organizations.
• The impact of IT, including the Internet, on an organization, e.g. using frameworks, such as Porter’s Five Forces and the Value Chain.
• Benefits and drawbacks of e-business
• Opportunities for use of Big Data, data warehousing and mining
Governance and risk management

Risk identification and management
• Frameworks for risk management — enterprise risk management, risk management cycle
• Risk identification and classification; considering internal and external sources of risk
• Quantification of risk exposures and their expected values, and using a risk map
• Risk responses and mitigation, including using TARA (transfer, avoid, reduce and accept)
• Managing risk registers and risk reporting
• Roles and responsibility of risk managers, management, risk committees and boards

Management control systems
• Appropriate measures for strategic control and direction of various types of organizations
• Organizations as a system and system theory
• Transfer pricing and associated issues
• Manufacturing techniques, e.g. lean, just-in-time and total quality management
• Cost of quality
• Behavioral implications of management control/appraisal systems and recommended solutions
• Risk and control of information systems, including system development risk management

Internal controls, fraud and internal audit
• Essential features of internal control systems for identifying, assessing and managing risks, including within specific areas
• Identifying and evaluating control weaknesses and disaster recovery planning
• Costs and benefits of maintaining the internal control system
• The nature of, and identification of prerequisites for, fraud
• Fraud policy statements and risk management, e.g. how controls can reduce the risk of fraud
• The role and forms of internal audit, e.g. value for money audit, management audit, environmental audit
• Effective management and operation of internal audit, e.g. risk assessment, analytical review, benchmarking
• Preparation and interpretation of the internal audit report

Ethics, corporate governance and sustainability
• Ethical issues as a source of risk
• Reputational risks associated with social and environmental issues
• Business ethics issues and their resolution within a range of organizational contexts
• Ethical issues and safeguards that can be used to mitigate ethical conflicts; using applicable code of ethics for accountants
• Definition of corporate governance and associated risks
• Principles of good governance, e.g. board composition, separation of roles, roles of committees, remuneration
• Corporate governance and internal controls

Financial risk evaluation
• Sources of financial risk, including risks associated with international operations
• Transaction, translation, economic and political risk
• Quantification of risk exposures, their sensitivities to changes in external conditions and their expected values
• Exposure to interest rate risks

Management of financial risks associated with international operations
• Interest rate risk management, exposure evaluation and forecasting
• Foreign currency risk management, exposure evaluation and exchange rate theory and forecasting
• Internal hedging techniques
• Common instruments for managing currency risk and/or interest rate risks, e.g. swaps, forward contracts, futures and options
• Techniques for combining options in order to achieve a specific risk profile: caps, collars and floors
Plan

Management of risk associated with capital investment projects
- Evaluation of investments, e.g. weighted average cost of capital, capital asset pricing model or adjusted present value
- Impact of risk and uncertainty, e.g. use of sensitivity analysis, expected values or adjusted discount rates
- Recognizing risk using the certainty equivalent method (when given a risk-free rate and certainty equivalent values)
- "Real options" when deciding on strategic projects
- Managing stakeholder conflicts associated with capital investment, including conflicts due to choice of performance indicators
- Monitoring the implementation of projects, and post-completion audits of investment projects

Corporate financial strategy

Financial strategy development
- Characteristics of types of entities, e.g. private vs. public sector, for-profit vs. not-for-profit, incorporated vs. unincorporated
- Strategic financial and non-financial objectives of types of entities
- Calculations and interpretations of financial ratios in order to assess whether financial objectives have been achieved
- Sustainability and integrated reporting to inform stakeholders, including <IR> Framework and the GRI’s G4 Guidelines
- Investment, financing and dividend decisions and the interrelationship between them in meeting the cash needs of the entity
- Lenders’ assessment of creditworthiness, e.g. business plans, liquidity ratios, cash forecasts, credit rating, quality of management
- Financial strategy in the context of regulatory requirements and taxation regulations (domestic and international)

Hedge accounting
- The accounting treatment of hedge accounting, cash flow, fair value and net investment
- Impact of adoption of hedge accounting on financial statements and on stakeholder assessment.
- Disclosure of financial risk, including policies for managing such risk

Capital structures and debt financing
- Impact of changes in capital structures, according to the theories of Modigliani and Miller (both with and without tax) and the traditional view of gearing
- Cost of equity or weighted average cost of capital to reflect a change in capital structure
- Selection of appropriate debt instruments, e.g. bank borrowings, bonds, convertible bonds, commercial paper, and tax considerations
- Use of cross-currency swaps and interest rate swaps to change the currency or interest rate profile of debt
- Procedures for issuing debt securities, private placement and capital market issues, role of advisers and underwriters
- Target debt profile, e.g. interest, currency and maturity profile, to manage interest, currency and refinancing risk
- Debt covenants, e.g. interest cover, net debt/EBITDA, debt and equity
- The lease or buy decision (for both operating and finance leases)
Equity finance and dividend policy
• Methods of flotation and implications for the management of the entity and for its stakeholders
• Use of rights issues, including choice of discount rate and impact on shareholder wealth; and theoretical ex-rights price (TERP) and yield-adjusted TERP
• Implications for shareholder value of alternative dividend policies, including Modigliani and Miller’s theory of dividend irrelevancy
• Development of appropriate dividend policy, taking into account shareholders’ and the entity’s need for cash

Financial performance measurement
• Financial ratios to assess the impact of a change in capital structure on financial statements and key performance measures
• Impact of scrip dividends and share repurchases on shareholder value and entity value, financial statements, performance measures
• Interpretation of financial ratios before and after investment financing, and/or dividend decisions in order to assess the impact on debt and objectives

Mergers and acquisitions
• Reasons for and against acquisitions, mergers and divestments, e.g. strategic issues, synergy, risks and tax implications
• Consideration and terms for acquisitions, treatment of target entity debt and implications of financing
• The process and implications of a management buy-out, including potential conflicts of interest
• Role, function, implications of acquisition by private equity or venture capitalist
• Role and scope of competition authorities and anti-trust considerations in relation to mergers and acquisitions
• Identification of key defenses in hostile takeovers
• Potential post-transaction value for both acquirer and seller and integration of management/systems
• Types of exit strategies and their implications

Business valuation
• Value of an entity using various valuation methods, including strengths and weaknesses
• Asset valuation, e.g. historic cost, replacement cost and realizable value
• Forms of intangible asset, including intellectual property rights, brands, etc.
• Share prices, quoted on stock market or private sale for non-quoted entities
• Earnings valuation, e.g. price/earnings multiples and earnings yield
• Dividend valuation, e.g. dividend growth model, including estimating growth from past or forecast figures and including non-constant growth assumptions
• Discounted free cash flow valuation, e.g. taxation, risk-adjusted discount rate, foreign currency cash flows and sensitivity analysis
• Ideas of diversifiable risk (unsystematic risk) and systematic risk
You have the efficiency. Now start the education.

Learn: start your lifelong learning journey here.

The AICPA has produced an extensive suite of both free and for-sale learning resources for CGMA program participants to help prepare for the CGMA exam. You may choose from online courses, publications, tutorials and practice exams.

CGMA exam prep

CGMA Exam Preparation Review Course
The AICPA offers review courses to help exam candidates prepare for the CGMA exam. Candidates are provided themes and issues from the exam and the skills and competencies needed to provide compelling responses on the exam. The course is designed to prepare candidates with test taking tactics and strategies.

Post-exam kits
These kits are actual CGMA exams from past sittings that include pre-seen materials, exam questions, scoring guides, sample answers and remarks from the examiner. The post-exam kits are an essential tool to help you prepare for the CGMA exam.

Practice exam
A free practice exam is available to help you gain familiarity with the key features, format and types of questions that will be asked on the case study exam. This practice exam is available for your use and preparation, and may be taken as many times as you wish.

CGMA Exam — Case Study Guide
This guide is a print publication designed to provide you with an understanding of the CGMA exam using proven study techniques and examples from the practice exam. It is most useful when used in conjunction with the free practice exam.
CGMA Learning

Strategic Management Accounting
This course is comprised of 37 modules of on-line self-study that provide more than 50 CPE credit hours. Topics include enterprise strategy, corporate financial strategy and governance and risk management. It is an essential resource for CGMA exam candidates.

Harvard ManageMentor
Harvard ManageMentor is an online skill-building tool that combines the latest in thinking and proven practices from Harvard Business Publishing’s world-class experts. It offers a rich variety of relevant, practical content on 44 of the most important business, leadership and management topics.

Financial Performance Management
This course is comprised of multiple modules of on-line self-study that provide more than 60 CPE credit hours. A complement to the Strategic Management Accounting course, you’ll dive deeper into the technical skills needed by financial professionals in business and industry. Topics include everything from costing methods to financial analysis to advanced forecasting techniques.

Strategic Management Accounting Video Summaries
This course is a series of pre-recorded videos that provide an overview of the major components in the Strategic Management Accounting self-study course. The purchase price also includes access to live Q&A sessions with the instructors in the videos prior to the CGMA exam.
You have the aptitude. Now put it into action.

Apply your understanding while you gain valuable experience at your job.

Applying your knowledge and skills to your job is a vital element of the CGMA program. It proves you not only have the rote knowledge needed to pass the exam, but the ability to apply learning to actual, on-the-job situations, making you a better, more productive management accountant.

You’ll also apply your knowledge while you’re studying for and taking the CGMA exam. Because the exam places you squarely in a real-world business scenario, you will have to apply new skills to that situation just as you would in any actual job.

Play CGMA for a Day

In today’s global economy, management accountants play a key role in driving business success. The CGMA exam challenges you to put your real-world experience and expertise to the test and apply your management accounting knowledge and acumen. Experience the unique format of the exam, and live a day in the life of a CGMA designation holder before you register.

CGMA for a Day is an immersive, interactive tool that lets you experience a day in the life of a CGMA designation holder. You’ll get a high-level feel for the strategic case study exam, familiarize yourself with the tasks within the exam and complete them without any prior study — in about 30 minutes. Ready to see what it’s all about?

Visit cgmaforaday.org to test your talent.
“The CGMA program has given me a greater respect for the types of problems that upper management faces as well as a broader view of the solutions that I can provide as a CGMA.”

Lindsay O’Bryan, CPA, CGMA
Senior Financial Analyst
TECO Energy
You have the education. Now take the exam.

Assess: What is a case study exam?
The unique format of the case study exam mirrors a real business environment. It simulates what management accountants do in the workplace through the use of a fictionalized organization based on a real business or industry.

The exam takes about three hours to complete. During that time, you’ll be presented with three to six tasks related to a hypothetical business case. You’ll be expected to apply technical, business, people and leadership skills to solve the kind of problems a high-level management accountant might face in a real-world business situation. Your answers should be written in the format requested in the task, such as an email, report, memo, etc.

You’ll be tested on a variety of skills in the exam, including research and analysis, how to present information and communication skills.

About the CGMA exam
The CGMA exam is available four times a year (February, May, August and November) during five-day testing windows. The case study on which the exam is based is the same for all five days; however, in order to protect the integrity of the exam, a different variant is presented each day so that no task is repeated throughout the testing window.

The CGMA exam is administered by Pearson VUE, which has more than 5,100 testing centers worldwide, including over 2,000 in the United States. When you register, you can select the location most convenient to you. The deadline for registration is two weeks before the start of the exam window, but we encourage you to sign up at least four weeks in advance to ensure you can book your preferred testing center location.
“The real value of the CGMA program for me was in bringing together past experiences and new tools for addressing the changing needs of business.”

Dave Ristow, CPA, CGMA
Chief Financial Officer
Ascent Solutions LLC
How to use the pre-seen material
The case study exam links what you have learned to the competencies employers demand in the workplace.

Published seven weeks before your testing date
The advance, or “pre-seen,” material will be available to download seven weeks before the date of your exam and will be available for your use during the exam. The material will consist of a business scenario with background information and multiple documents, such as:

- Financial statements
- Annual report excerpts
- Tax considerations
- Industry analysis
- Organization charts
- Company strategy
- Newspaper or website articles
- Product images or brochures

The featured organization and all associated information is fictitious, but it will be based on real-world scenarios.

Useful tip:
The case-study writers regularly use the financial pages of national and international business publications as a source for content.

Important terminology
You’ll find it useful to familiarize yourself with the terminology we use to describe our case study exam.

Additional information — New material introduced during the exam that may be in the form of documents (reports, articles) or emails from work colleagues.

Business skills, leadership skills, technical skills, people skills — The competencies tested via the case study exam.

Pre-seen material — Overview information about a fictitious organization that is based on a real-life business or industry — published seven weeks in advance of the exam date.

Scene setting — The presentation of the scenario for the case that gives context to the triggers.

Tasks — Essentially, the “question requirements,” or what you have to do in response to the triggers.

Triggers — Something that changes the thinking around the case study and requires you to take some action within the context of the case study. This could take a number of forms, such as new information about the company or market (a media article, for example) or a change in the priority of a task.
**How to use the pre-seen material to prepare for the case study exam**

<table>
<thead>
<tr>
<th><strong>Do</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Immerse yourself in the material and get to know the organization —</td>
</tr>
<tr>
<td>structure, products, competitors, financials, etc. — inside and out.</td>
</tr>
<tr>
<td>Understand that the same basic information can be used in a variety</td>
</tr>
<tr>
<td>of ways. From the base scenario and figures, you could be asked, for</td>
</tr>
<tr>
<td>example, to advise on an acquisition or report on introducing a new</td>
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<tr>
<td>product line.</td>
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<tr>
<td>Try to identify issues — financial, organizational, performance-</td>
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<tr>
<td>related, ethical/legal — or general risks the company is facing.</td>
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<tr>
<td>Remember that while you won’t be required to do any lengthy</td>
</tr>
<tr>
<td>calculations during the exam, you will be required to comment on,</td>
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<tr>
<td>interpret and identify inaccurate calculations produced by someone</td>
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<tr>
<td>else. We recommend completing the appropriate calculations/analysis</td>
</tr>
<tr>
<td>using the pre-seen materials at home.</td>
</tr>
<tr>
<td>Pay attention to the role you’ve been assigned. This will help you</td>
</tr>
<tr>
<td>generate ideas about the kind of tasks you might be asked to do and</td>
</tr>
<tr>
<td>the level at which you need to pitch your responses.</td>
</tr>
<tr>
<td>Try to guess what the question requirements might be — you’ll</td>
</tr>
<tr>
<td>probably be wrong! Remember, there are five variants to each case,</td>
</tr>
<tr>
<td>so the same information could be tested in a variety of ways.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Don’t</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste time trying to work out what real-life company the case might</td>
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<tr>
<td>be based on.</td>
</tr>
<tr>
<td>Read lots of analyses of the pre-seen produced by other people.</td>
</tr>
<tr>
<td>Panic. We want you to pass, and if you’ve prepared well and</td>
</tr>
<tr>
<td>remember your role and audience, the answers should flow.</td>
</tr>
</tbody>
</table>
How to interpret scenarios, triggers and tasks

Scene-setting and triggers
A scenario will set the scene for the case study, and your role within the organization will be introduced. Additional information will be presented on topics, such as the market, competitors, key employees and financial highlights. You’ll also be presented with “triggers” (something that changes the thinking around the case study and requires you to take some action within the context of the case study). During the exam, your role is to advise executive management and formulate a strategy that will be reflected in the tasks. This means analyzing options, including the various courses of action the business can take based on its environment and current strategic positioning.

Note:
Pre-seen materials and information given during the exam will be written in British English and will use European-style formatting for dates, titles, etc. You need to be able to correctly interpret the information given. However, your response can be written in the format that is most comfortable for you. You will not be penalized for using American English, or any other style, as long as your answer is clearly communicated. Focus on the content of your response — that is what will earn you points.

Planning and producing the answer

Plan the answer
As a rough guide, planning an answer should take up about one-third of the time available. You’ll be given three tools that you can use to create your answer plan:

• An on-screen scratch pad. Accessed at any time during the exam, it can be minimized, moved and resized. What you type on the scratch pad can be copy-pasted into the main answer, where it will remain until the end of the exam unless you delete it. Nothing on the scratch pad will be treated as part of the answer.

• A whiteboard.

• An on-screen space where you can type your full answer for scoring.

In preparing your plan, be sure to address each of the four competencies — technical, business, leadership and people skills — defined in the CGMA Competency Framework and apply them to the organization in your scenario.

Check the answer
You will receive a warning when there are five minutes remaining in the exam. At that point, you should review your answer to check that it:

• Covers the points in the plan.

• Presents a logical discussion.

• Prioritizes issues based on what you understand the concerns of the organization to be.
Different answer formats: emails, reports and other formats

Writing an email in the case study exam
The case study exam is set in a simulated business context, designed to test your ability to perform tasks that a management accountant could be expected to complete in the workplace.

Because email is now common in the business world, you may be asked to write an email during your case study exam. Here’s some guidance on how to do so successfully.

Be professional
Pay as much attention to grammar, spelling and punctuation as you would in any other correspondence. And be consistent with whatever linguistic style and format you choose to use.

Starting the email
Think about who you are sending the email to. If to a colleague at a similar peer level, it would be appropriate to use the first name only. If it’s to your director, or a client, you should be more formal — for example, “Dear Mr. Harris.”

If you’re contacting a company and don’t have an individual’s name, you can use “To Whom It May Concern” or “Dear Sir/Madam.”

Opening text — Why are you writing the email?
Think about the purpose of the email and briefly state it in your opening sentence.

Main body of email
If you have a lot of information to include, use subheads throughout. Use bullet points for a list of information. In addition, consider the person to whom you’re writing; depending on his or her background, you may need to briefly and clearly explain accounting terms.

Identify and interpret the task
You will be asked to identify all separate components within a task.

For instance, one task might identify two distinct areas to be covered:

1. Prepare a briefing note for the board on the stakeholders in the decision to seek a quotation.

2. Recommend an appropriate strategy for dealing with a major shareholder who is not in favor of the proposal to seek a quotation.

You will also need to be able to think through the implications of your recommendations.

For example, if asked to determine the ways in which your direction would affect the shareholders of a private company being taken public, you would need to consider the additional liquidity that the shareholders would enjoy.
Ending the email
To sign off, you could use “Kind regards,” or “Yours sincerely.” Then include your name and, if you wish, your position in the company and the fictitious company name. Then review and edit.

Email opening examples:
“Thank you for your email on Feb. 25 regarding the costing schedule; below are my responses to your requests for information.”
“I am emailing you in reference to our meeting on Jan. 4 when we discussed the budget.”

Writing a report in the case study exam
Report writing often is a key part of a management accountant’s role. You may be asked to write a report during your case study exam, so you should be prepared to do so. Here’s some guidance:

Be professional
Think about your audience. Is the report for the board of directors, employees at a similar level to yours or an external party? Is the audience all accounting/finance staff or will some need explanations for technical detail?

Why are you writing a report?
Consider its purpose. You may be asked to present data or to make a recommendation on how to resolve an issue. Be sure your report covers exactly what is stipulated.

Starting point — The title
Make clear what the report is about and who it’s for.

The introduction
State the purpose of the report and the topics you will cover. Let’s say you have four different areas to cover. You could write:
This report will cover the following:
• Background information on …
• Our current position on …
• Our options for the future …
• My recommendations for the future …

The body of the report
Take each point from your introduction and give it a subhead. Breaking your report into sections with clear subheads will make it easier to read.
Think about the information that you have been provided and determine which parts of it are relevant for the purpose of the report. Financial data? Background information? Consider how you can format the content so it’s easy for readers to understand.
While writing your report, keep reminding yourself of its purpose — don’t get bogged down in detail that’s not relevant.

Title examples:
“A report to the Board of Directors on change management issues.”
Conclusion and recommendation

If you’ve been asked to give a recommendation, do so at the end of your report.

Make it clear that you are making a recommendation and state what it is. For example, “Having considered all of the issues in this report, I recommend that this company …”

Your recommendation should be supported by information and facts that you have included in the main body of your report.

You may not be required to give a recommendation. In that case, you can conclude the report with a sentence, such as, “This report has identified a number of key issues on moving to activity-based costing. If you have any questions, please contact me.”

In your conclusion, you may want to summarize your key points. It can be useful to put your name and position in the fictionalized company at the bottom of the report.

Finally

Read through your completed report and make any necessary edits or additions.

A summary of other formats

You may be asked to produce an answer using a format other than an email or report, such as:

Briefing notes

Briefing notes give the reader a short, clear and concise version of the key points and considerations about an issue. Format your briefing notes into three parts:

• The purpose of the briefing notes — outline the issue or topic that you will be addressing.
• A summary of the facts/information — break this section down into a number of topics and use subheads relevant to the exam requirement. Examples include a summary of the history of the topic, pertinent background information, key considerations and so on.
• Conclusion and/or recommendations — make sure your conclusion covers the most important points that you want to get across to the reader. If you need to make a recommendation, make sure that it’s clear and direct and that you can back it up with the information presented in your main summary.

A memo

Memos are used within a company to remind people about something. They should be brief and concise and state:

• The recipient of the memo
• The sender of the memo
• The date
• The subject
• The content of the message

A discussion paper

A discussion paper should give readers a thorough understanding of a topic. It needs to cover all issues, from all angles and perspectives so that an informed decision can be made. The format of your discussion paper should be similar to that of a report, with an introduction, the body of your discussion paper (you could divide this into arguments for and arguments against), a conclusion and recommendation(s).
Time management in the exam

Specified time for each session
Time management is an everyday challenge for most financial professionals. Because the case studies are designed to simulate real business scenarios, there is a “real time” element built in.

The exam is three hours in length and is made up of a number of timed sections. Each section has one or more tasks for you to complete with a written response; you will be advised of the time allotted for each section before the exam begins. You will be given a warning when you have five minutes remaining in each section. Plus, at any point in the exam, you can see the time remaining in the upper right corner of the screen.

Each new trigger gives rise to one or more tasks that are contained in a defined time frame within the exam. Tasks will appear in the form of a request or an instruction from a colleague to provide information, analysis or advice in response to issues arising from the triggers.

In the real world, executives rarely have straightforward tasks handed to them for completion. Instead, they must decipher what needs to be done without specific direction and work within that ambiguity to accomplish a goal. To simulate this, the tasks in the case study are less structured and you will need to identify and prioritize issues, make judgments and consider potential solutions, just as you would in an actual business situation.

The timings for each section give an indication of the marks available. So, for instance, a section allocated 45 minutes would be worth 25% of the marks in total (which may be spread across more than one requirement). You are moved on automatically after the time allocated to each section ends, and you cannot go back and check or edit your responses.

This ensures that you get a sense of urgency to complete a task or respond to a request from a senior manager, just as you would in a real-life work situation. It is in this way that you are able to demonstrate the competencies that are core to this assessment concept.

Time allotted
Each section in the exam has a strict time allowance. During the time allotted to a section, you are expected to:

- Read the material provided regarding the unseen trigger.
- Identify the task or tasks, distinguishing separate components within each task.
- Plan an answer that covers all the required issues.
- Produce the answer.
- Check the answer.
What you really need to know

The list of topics in the CGMA body of knowledge is extensive, and may be intimidating. But keep in mind the following:

• While you do not need expertise in all the subjects to pass the exam, you should be familiar enough with these concepts to recognize and apply them when necessary.

• You will not be asked to perform calculations within the CGMA exam, but you may need to explain or interpret calculations.

• You will be required to apply only a small selection of the concepts relevant to your specific case study.

• There is no single correct solution to the exam tasks, thus you may have the option to select among several concepts, analyses or tools to generate a valid response.

Specific knowledge about international tax will not be examined, but you may be expected to explain how general principles of taxation might be applied.

You could be asked to comment on, or demonstrate, an understanding of IFRS 9, so be sure you’re familiar with how IFRS 9 differs from US GAAP. In addition, though you must be capable of interpreting extracts from published financial statements, the CGMA exam does not require a detailed knowledge of the other areas in which IFRS 9 differs from US GAAP.

How to get started

To start the exam registration process, go to cgma.org/exam to fill out an online form, or call the AICPA at the number below.

888.777.7077
9am–6pm ET
Monday–Friday

The CGMA exam is available four times a year — in February, May, August and November — during five-day testing windows. You must register before the registration deadline for each testing window, and you can book your exam only for the next available window or the one immediately succeeding. Check the website for specific registration deadlines.

Exams cannot be rescheduled once the registration window has closed.

The exam fee is fully refundable up until the registration deadline for the testing window. Once this deadline has passed, the exam fee is non-refundable.

Visit CGMA.org/exam to register or get more details.
You showed the determination. Now get the designation.

Award: obtain the designation

To qualify for the CGMA designation through the AICPA, you must be a regular member* of the AICPA, pass the CGMA exam and have a minimum of three years of relevant, work-based, practical management accounting experience.

Eligible AICPA members must attest that they meet the experience requirements when applying to obtain the CGMA designation:

• Minimum 36 months of relevant management accounting experience, as defined by the CGMA Competency Framework (see page 8)

• Range of experience across at least four (4) competencies in the Technical and Business Skills knowledge areas, with a minimum of one (1) per area

• Depth of experience with a minimum of 18 months at the Intermediate (or higher) proficiency level as defined in the CGMA Competency Framework

• Demonstrated work-based experience in competencies from the Leadership or People Skills knowledge areas

For detailed descriptions of qualifying competencies, please refer to the complete CGMA Competency Framework.

*Either you hold now or previously held a valid CPA certificate or license and have passed the U.S. Uniform Certified Public Accountancy Examination (U.S. CPA Exam) OR you have completed the requirements for CPA licensure as defined by the Uniform Accountancy Act (UAA), but you have never been licensed.
Maintaining the CGMA designation

To maintain your CGMA designation, you must remain a member of the AICPA in good standing and pay the annual fee for the designation. Continuing professional education (CPE) is required for CPAs to maintain their professional competence and provide quality professional services. You are responsible for complying with all applicable CPE requirements, rules and regulations of state boards of accountancy, as well as those of the AICPA. There are no additional requirements for CGMA designation holders. Learn more about the relevance and value of continuing professional development at competency.aicpa.org

How to apply

If you’ve passed the CGMA exam and meet the practical experience requirements, you are eligible to obtain the CGMA designation. Your final step is to submit your application.

The current annual dues for the CGMA designation are $160 for AICPA members and $110 for AICPA members who are also members of their state society. Dues rates may be subject to annual updates.

Upon passing the exam, an email will be sent to you with a personalized link to apply. If you miss it, don’t worry – simply go to the “My Account” section on aicpa.org and you will be prompted to apply and pay your membership dues. If you have any questions, call AICPA Member Service:

888.777.7077
9am–6pm ET, Monday–Friday
Membership and lifelong learning

Continue your journey of leadership, strategic decision-making and guiding the future of your organization and the profession of management accounting on the AICPA | CIMA Competency and Learning website. This website features more than 1,500 articles, publications, videos, webcasts and self-study courses to support lifelong learning for you helping them to sustain a competitive advantage. The website also provides flexible access to all of its learning resources, allowing you to discover and develop new competencies when, where and how you want. You can easily track and report progress toward your personal, professional and regulatory goals, allowing you to take control of your career development.

Visit competency.cgma.org to get started.

Member benefits

The professional and personal value of the CGMA Program is nearly endless, no matter where you are on the learning path, or after you’ve achieved the designation. Here are just a few of the benefits you’ll receive:

**FM magazine**

*FM magazine* delivers the depth and insight to stay ahead. Both online and in print, it’s your source for management accounting news, in-depth analysis of key business issues and best practices for management accountants. Visit fm-magazine.com.

**CGMA Advantage**

This quick daily round-up of five to six must-reads for finance professionals on topics such as leadership, strategy, and technology, plus CGMA exclusive resources and more.
CGMA community/global network
Connect to a global network of your peers and access the best minds in management accounting. Networking events, such as AICPA Business and Industry conferences, as well as our LinkedIn community will put you in touch with your peers throughout the business world.

Tools
Drive best business practices with scenario-planning tools, checklists, decision trees, an enterprise risk management assessment tool, and real-world case studies.

Reports
Discover leading-edge research, tools and techniques, and strategic insights from award-winning experts on key issues facing businesses in the global economy.

Discounts
Grow with professional development products tailored to management accounting. Online courses, webinars, digital publications and conferences are available at special pricing for CGMA designation holders. CGMAs enjoy 4 free webcasts every year (up to eight hours of CPE) in timely management accounting topics.

Business and Industry webcasts
Get the latest inside information on timely topics relevant to you and your career while fulfilling your annual CPE requirement. Delivered by experts with decades of industry experience, the B&I webcast series provides insights, opinions and perspectives on key areas that affect businesses across the globe. As an exclusive benefit, CGMA designation holders get four free webcasts a year (up to eight free CPE hours) — this more than pays for the annual CGMA dues.