

## Leon van Schalkwyk FCMA, CGMA

Group Executive: Strategic Finance, Impala Platinum

### CGMA CASE STUDY

# MANAGEMENT ACCOUNTING PRINCIPLES DRIVE 20% LOWER COSTS THAN PEERS

“Management accountants take actions prior to the event, during the event and evaluate after the event, whereas financial or traditional accountants act post-event.”

[www.cgma.org](http://www.cgma.org)

Embedding sound management accountancy principles at Impala Platinum has helped this South African mining group to improve cost management and remain in a competitive position.

With management accountants feeding information to every part of the mining operation, Impala has costs running at around 20% lower than other groups in the industry.

Strategic finance executive, Leon van Schalkwyk FCMA, CGMA, says the company boasts a management information system that is closely integrated with all areas of the business including human resources, line management and the top management team. Shared, relevant information has been the basis of Impala Platinum’s model over the last 20 years.

Gaining credibility for the company’s management accountants and their approach has been key to the success of this model, says Van Schalkwyk, who has been with Impala Platinum for 25 years. According to him there is no point in having management accountants who understand the business unless their understanding is appreciated and taken notice of by management.

Having the right people with the right knowledge in place is essential. Having the right people presenting and getting involved in the different activities and on behalf of the entire company has also been key to our success over the years.

In-depth knowledge of the business and relevant management information make effective decisions possible. He states that a precise understanding of the integration of management accounting and business functions is essential to determine what action to take, when to take it and what the outcome will be.

“It is important to know when to implement a revised incentive scheme for our employees to drive the revenue. The correct drivers for our people on the ground must be in place and put into action at the right time,” he explains. The result is that the business regards its management accountants instrumental in day-to-day operations and overall strategy.

“The business doesn’t see the management accounting function as a cost control role only, but rather as major contributors in all aspects: from HR to production, optimisation and operations on the ground.”

## The CGMA designation

Two of the world’s most prestigious accounting bodies, AICPA and CIMA, have formed a joint venture to establish the Chartered Global Management Accountant (CGMA) designation to elevate the profession of management accounting. The designation recognises the most talented and committed management accountants with the discipline and skill to drive strong business performance.

## CGMA value: Impala Platinum

Running costs 20% lower than competitors in the South African mining industry. An integrated management information system that informs decision-makers across the business.