

HELPING TO DELIVER £185M IMPROVEMENT IN WORKING CAPITAL BETWEEN 2007-2010

"It involves judgement, decision-making, bravery, commercial insight, the ability to join it up. I think CIMA gave me the ability to join it up. The rest of it is about seeing your opportunities."

www.cgma.org

Gary Critchley FCMA, CGMA

Head of Business Services and Information, Marks and Spencer

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Marks and Spencer's Business Service Centre plays a pivotal role in making financial information – headline figures such as revenue, payables and net assets or more internal measures – transparent and meaningful to other parts of the business. Improved analytics and information flow result in greater accountability and improved decision-making. This was never more important than during the credit crunch and recession 2007-2010.

Working with other parts of the business, the Business Service Centre helped to deliver cash flow of £185m over this critical period.

Gary Critchley, Head of Business Services and Information, says, "It is really a team game in terms of how we partner with our colleagues in finance and other parts of the business. That could be sourcing, treasury or on projects, so that, when we are putting programmes in and business changes, we are always cognisant of how we can make this work for us both practically and financially," he says.

One of the ways that cash flow was delivered was through improved debt management. Managing net debt over that period helped sustain Marks and Spencer's credit rating, cost of borrowing and – ultimately therefore – its profits. "We were able to sustain the debt during the credit crunch

when credit was not available. Net debt is about borrowing. If we had needed to renegotiate any of our facilities, then that would have been difficult. You needed to conserve as much money as you could during that time."

Critchley says CIMA training has given him and colleagues in the Business Service Centre a strong sense of the 'big picture' and risk awareness. "We have to make sure that we create commercial value. Value in understanding the connection between business behaviours, commercial business drivers, business projects, the financial results, share price, company valuation and shareholder value. That is the big picture. Some of that is about judgement and experience, so that comes down to joined up thinking. I associate that with CIMA and the CGMA designation."

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: M&S Business Service Centre

Helping M&S deliver £185m in cash flow between 2007 and 2010