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CAR BRANDS IN CRISIS: THE BATTLE BETWEEN ESTABLISHED GIANTS AND CHINESE EVs



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Assessment Language	Assignments can be submitted in English (or with permission in the local language of the country).

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CAR BRANDS IN CRISIS: THE BATTLE BETWEEN ESTABLISHED GIANTS AND CHINESE EVs

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In recent years, the traditional car industry has been hit by not one but two meteorites: *Chinese automakers* and *electrification*. And just like those earlier meteorites wiped out the dinosaurs, will these make today's car giants extinct?

This article will demonstrate why the four main challenges facing both manufacturing and service industries (that management accountants are well aware of): i.e. *Quality*, *Cost*, *Time* and *Innovation*, need to be at the forefront of strategic decision making if established car brands, predominantly from Europe, Japan, and the United States, have any hope of overcoming the multiple challenges brought about by Chinese EV manufacturers.

The Rise of Chinese Automakers

China's rapid industrialisation over the past few decades has positioned it as a global manufacturing powerhouse. In the automotive sector, this growth trajectory has been particularly pronounced. Established car brands, long accustomed to dominating global markets, are now facing a formidable challenge from 'Made in China' vehicles.

As the world's largest market for EVs, China has nurtured a domestic industry that is now capable of competing with established brands. Chinese manufacturers have leveraged

cutting-edge technology and competitive pricing to capture market share, both domestically and internationally. Chinese automakers, including BYD, NIO, and Geely, have gained significant momentum, not just within China, but globally. These companies have benefitted from substantial government support, including subsidies, research and development incentives, and a favourable regulatory environment that has accelerated their growth.

In a repetition of how China upended the solar panel industry, it has built a staggering amount of auto manufacturing capacity, enough to make more than 50 million passenger vehicles of all types a year. That is roughly double domestic demand and enough to satisfy more than half of the global market.

Relatedly, China has made itself the EV heartland, accounting for two-thirds of worldwide sales last year and more than 90% of the growth. Despite this, the domestic sales of 11.2 million EVs barely cover half of the production capacity in China. China also dominates the underlying supply chain.

The New Battlefield: Europe

China's trade surplus with the rest of the world has surpassed US\$1 trillion (\$1.5 trillion) for the first time – and that is only in the 11 months of 2025. That is a problem for both China and the rest of the world (Cash, 2025).

China's **exports** grew 5.9 per cent in November 2025 and were up 5.4 per cent to US\$3.4 trillion for the year to date. **Imports**, however, grew only 1.9 per cent in November and have actually fallen 0.6 per cent to US\$2.3 trillion in the 11 months to the end of November, compared with the same period last year.

Therein lies the problem. The gulf between exports of US\$3.4 trillion and imports of US\$2.3 trillion – the US\$1.08 trillion trade surplus China has produced so far this year – is generating increasing pushback from the rest of the world as other countries see their economies threatened by a Chinese-induced deindustrialisation (Bartholomeusz, 2025).

This is particularly affecting Europe.

In a state visit to China in early December 2025, *French President Emmanuel Macron* threatened China with European Union tariffs if no effort was made to reduce an expanding trade surplus with the EU. China's exports to the EU have grown by more than 8 per cent this year (Xu, 2025).

"I tried to explain to the Chinese that their trade surplus is unsustainable because they are killing their own customers, particularly by no longer importing much from us," President Macron said in an interview whilst in China (Bartholomeusz, 2025).

Particularly affected is the automotive sector in Europe, crucial for its economy – accounting for over 7% of GDP and employing more than 13 million people. The sector faces a tough balancing act to remain competitive while transitioning to cleaner mobility solutions. Recent data highlights that Europe's carmakers are under significant pressure due to tariffs, intense competition from Chinese manufacturers, and the high costs associated with the shift to electric vehicles (EVs). The crisis is so serious that the *European Commission President Ursula von der Leyen* met with industry leaders in September 2025 to discuss these challenges (Samar, 2025).

New figures from the *European Automobile Manufacturers' Association (ACEA)* reveal a 0.7% drop in EU new car registrations in the first seven months of 2025 compared to the previous year. Although *Volkswagen* and *Renault* showed gains, *Stellantis NV* experienced a decline in many of its brands. *Tesla's* sales in Europe dropped by 40.2%, reducing its market share, as China's

BYD gained ground, surpassing Tesla with a 1.2% market share (ACEA, 2025).

Stellantis NV, formed from the merger of *Fiat Chrysler Automobiles (FCA)* and *Groupe PSA*, owns 14 major automotive brands spread across international markets exposed to Chinese competitors and a US market where it badly misjudged inventory. While its brands like *Jeep* and *RAM* look fine, its *Alfa Romeo*, *Maserati*, *DS Automobiles*, and *Lancia* brands are now considered by many analysts to be in a very vulnerable position within the larger *Stellantis NV* group, facing pressure to improve profitability. The company looks ripe for restructuring, and brands like *Maserati* and *Lancia*—often cited as most at risk due to tiny market shares—being more valuable as trophies for an international, probably Chinese, buyer.

Another sad story is that of *Jaguar*, a storied but struggling British brand owned by *India's Tata Motors Ltd.* It appears to have committed what one can only describe as **industrial suicide**. In 2024/2025, it ended production of all existing models and removed inventory, leaving dealers with nothing to sell. It shed its existing traditions in a 30-second "copy nothing" brand 'Reimagine' video that was long on po-faced models but with no sign of an actual car. It heralded a new direction—high-end electric vehicles—with a concept, the Type 00, revealed in Miami shortly afterwards with a promise to deliver by 2026. If the idea was to draw attention, albeit often apologetic, it worked.

The result? The brand had been in decline for years, but this move alienated customers completely. Its sales plummeted dramatically, with a near-total collapse in Europe (down almost 97% in April 2025) as the brand transitions to an all-electric future (Valinsky, 2025).

Fortress Japan: Not Immune

While Europe is reeling, Japanese and U.S. companies are also feeling the heat.

Japan's carmakers, once a disruptive force in global markets, have been wrong-footed in the race to tap growing global demand for electric vehicles.

Even *Toyota*, Japan's largest automaker, has not been immune. With take-up for alternatives to the internal combustion engine slowing in its domestic market, *Toyota's* early bet on *hybrid technology*, while profitable, has left it trailing in *pure EV* development (Sier, 2024).

In November 2025, *Honda*, Japan's second-largest automaker, downgraded its full-year profit and cut its full-year outlook by a fifth. This not only underscored the immediate pressure from U.S. tariffs and global chip shortages but also the deeper, longer-term challenges of the intensifying competition from Chinese electric vehicle makers (Leussink and Shiraki, 2025).

The most immediately challenged Japanese company is *Nissan*, reeling from losses owed partly to low-cost competition from Chinese rivals and facing a bond maturity wall this year. It opened talks with compatriot *Honda Motor Co.* about merging – but talks were officially called off in February 2025 due to disagreements over control. *Honda* wanted *Nissan* to be a subsidiary rather than an equal partner, whereas *Nissan* pushed for a more balanced structure. This resulted in leadership changes at *Nissan*. Despite the merger failure, both companies confirmed they are still working together on joint EV and software projects, maintaining their strategic partnership.

Challenges for Established Car Brands

Management Accountants are well aware of the four main challenges facing both manufacturing and service industries:

Quality, Cost, Time and Innovation. Established car brands, predominantly from Europe, Japan, and the United States, are facing multiple challenges from Chinese manufacturers as they navigate the evolving automotive landscape. These are:

Quality (Brand Perception): Traditional car brands have long relied on their reputations for quality and reliability. This was especially the case with Japanese manufacturers such as *Toyota*. However, Chinese automakers are increasingly closing the gap in terms of quality, and with a strong focus on technology and innovation, they are starting to change perceptions. Modern consumers now perceive many Chinese brands as technologically advanced, offering features and innovations that appeal to them.

Cost (Cost Competitiveness): This was once the only competitive advantage of Chinese manufacturers, due to cheap labour costs. However, Chinese car brands have slowly increased the use of flexible manufacturing systems (FMS) via robotics etc., with less reliance on labour. The resultant benefit from lower production costs allows them to offer competitively priced vehicles. This poses a challenge for established brands, especially from Europe and the USA, which often have lower investments in FMS and thus higher labour and production costs.

Time (Market Dynamics): The Japanese, especially *Toyota*, were the first to recognise the importance of having fast 'time-to-market' capabilities. The rapid growth of the Chinese middle class has created a vast domestic market with a hunger for immediate delivery of automobiles, especially EVs. Chinese automakers have focused on understanding and catering to local preferences, giving them a home advantage over foreign competitors. Additionally, the Chinese government's push for new energy vehicles (NEVs) has provided a supportive environment for domestic brands to flourish.

Innovation (Technological Disruption): Traditional automakers have long relied on internal combustion engine (ICE) technology. The transition to electric vehicles requires significant investment in research and development to catch up with newer players who have started with a clean slate and focused solely on EVs.

The Global Power Play in Electric Vehicles

The competition in the EV market is not just about vehicles but also involves a complex global power play involving technology, resources, and geopolitics. In late 2024, news broke that both *Stellantis NV's* chief executive and *Nissan Motor Co.'s* finance chief were abruptly departing, for reasons outlined earlier. A few weeks before that, *Volkswagen AG* had announced the seemingly unthinkable: Closing auto plants in Germany (it later agreed with unions to keep them open but reduce capacity). *General Motors Co.* closed out last year with a trifecta: A USD 5 billion write-down in China, the sale of its stake in a US battery factory project, and the sudden closure of its in-house robotaxi arm, *Cruise* (Denning, 2025).

Foreign manufacturers who enjoyed growth and profits from China through joint ventures for decades have seen those collapse, as GM's write-down illustrates. Chinese exports shot up to six million vehicles last year, overtaking Japan.

For the legacy auto industry, electrification is hard enough. Doing it while their existing businesses in China unravel, rising Chinese exports eat into their other markets, all while Chinese manufacturers and suppliers dominate EVs already, is the stuff of crisis.

Now, the politics. No major power can sit back and watch a strategic industrial sector get eviscerated by cheap imports from

a country that has built massive capacity on the back of its own strategic policies and subsidies. The US had already thrown up barriers to Chinese EV under President Joe Biden and now even more so under President Donald Trump. Europe's position is more complicated given stronger trade links with China and the German automakers' ties to the country. Yet even Europe raised tariffs on Chinese EVs last year and more will follow with *French President Macron's* threat in December 2025 to raise European Union tariffs further if no effort was made to reduce an expanding trade surplus with the EU.

Protectionism comes at a cost, however. *Ford* and *GM* have retreated from much of the world already to fortress America, where their profits rest overwhelmingly on serving the local – and, by global tastes, unusual – appetite for pickup trucks and large SUVs. Their forays into EVs and automated driving have been slow and spotty or outright abortive. Trump's super-charged protectionism and easing of fuel-economy standards offers some respite (albeit not without some pain). But it will not change some basic realities. The US is a large, relatively high-margin market, but it is also mature. The post-pandemic surge in average transaction prices to almost USD 50,000 has supported revenue growth even as unit sales flatline. But vehicle ownership costs, including financing and insurance, are reaching a natural limit (Denning, 2025).

These events highlight the key global issues that need to be addressed by Global Brands in 2026:

Battery Technology and Supply Chains: Batteries are the most critical component of electric vehicles, and China currently dominates the supply chain for lithium-ion batteries. Chinese companies like *CATL* and *BYD* are leaders in battery technology and production. To mitigate this dependency, Western automakers need to invest in battery research and establish alternative supply chains.

Geopolitical Considerations: The global shift towards EVs is influenced by geopolitical factors. Countries are striving for energy independence and sustainability, reducing reliance on oil imports. For instance, the *European Union* has set ambitious targets for reducing carbon emissions, which is driving the adoption of electric vehicles.

Innovation and Infrastructure: Innovation in charging infrastructure and battery technology is crucial for the widespread adoption of electric vehicles. Countries and companies that lead in these areas will have a significant advantage. For example, *Tesla's Supercharger network* has set a high standard for charging infrastructure, which many are now trying to emulate. Also, advancements in battery technology, such as solid-state batteries, promise longer ranges and faster charging, offering a competitive edge to those who lead in these innovations. Consequently, *Tesla's Supercharger network* now faces strong competition from new joint ventures from automakers such as *Ionna*, a joint venture by *BMW*, *GM*, *Honda*, *Hyundai*, *Kia*, *Mercedes*, and *Stellantis*, and *XPeng*, a Chinese EV maker rapidly building its own extensive, high-speed charging network, expanding into Europe and Australia. They are aiming to directly challenge *Tesla's* speed and scale, especially as *Tesla* opens its network to other brands.

Regulatory Landscapes: Governments worldwide are playing a pivotal role in shaping the EV market through regulations and incentives. The Chinese government's aggressive policies on new energy vehicles have propelled its domestic industry. Meanwhile, the European Union's stringent emissions regulations are forcing automakers to accelerate their EV transitions. The United States, under varying administrations, has also shown interest in bolstering domestic EV production to compete globally. And there is the 'Trump Factor' – the increasing isolation of America with its 'Make America Great Again (MEGA)' and the ever-changing landscape of its Tariff regime.

Outlook and Future Dynamics

The interplay between established car brands and rising Chinese automakers in the EV sector is reshaping the global automotive landscape. Here is what we might expect moving forward in 2026:

Increased Competition: As more players enter the market, competition will intensify. This may lead to rapid technological advancements and more affordable electric vehicles for consumers, pushing the industry towards mass adoption.

Consolidation and Collaboration: In response to competitive pressures, further consolidation within the industry is likely. Companies may merge or form alliances to share technology, reduce costs, and expand their global reach.

Focus on Sustainability: As environmental concerns become more prominent, automakers will continue to innovate towards more sustainable practices, not just in vehicle production but across the entire supply chain. This includes the development of recyclable and less environmentally damaging battery materials.

Consumer-Centric Innovations: As the market matures, consumer preferences will dictate the direction of innovation. Customizable features, enhanced connectivity, autonomous driving capabilities, and improved user experiences will become key differentiators for brands.

Strategic Responses Required from Established Brands

Facing these challenges, established car brands need to employ various strategies to remain competitive. These all fall within the *Quality, Cost, Time* and *Innovation* decision framework given earlier, and include the following strategic responses:

Investing in Research and Development: Continuous investment in R&D is essential for staying ahead. This includes exploring new battery technologies, enhancing vehicle range, and improving energy efficiency. Companies like *Ford* and *GM* are pouring resources into R&D to stay competitive against innovative players.

Investment in Electrification: Companies like *Volkswagen*, *General Motors*, and *Toyota* are investing billions in electric vehicle development. *Volkswagen*, for example, has committed to becoming a leader in EVs, planning to launch numerous electric models over the next decade. By prioritizing electrification, these companies aim to meet regulatory demands and consumer expectations.

Partnerships and Alliances: To accelerate the transition to electric vehicles, many established brands are forming strategic partnerships. For instance, *Ford* and *Volkswagen* announced in 2019 collaborations on electric vehicles and autonomous technology. By pooling resources and expertise, these alliances aim to speed up innovation and reduce costs. The formation of global partnerships can accelerate the sharing of technology and resources. Collaborations, such as the alliance between *Honda* and *General Motors* for electric vehicle development, exemplify how traditional automakers can pool expertise to better compete with agile newcomers.

Localization of Production: To better compete in the Chinese market, some established brands are setting up local production facilities. This not only helps in reducing costs but also aligns with the Chinese government's regulations favouring local manufacturing. Tesla's Gigafactory in Shanghai is a prime example of this strategy.

Focus on Premium Segments: Some traditional brands are leveraging their strong brand equity to focus on the premium market segment, where they can justify higher prices and maintain profitability. Brands like *BMW* and *Mercedes-Benz* are

emphasizing luxury and performance in their electric offerings to distinguish themselves from more cost-competitive Chinese models.

Innovative Product Offerings: Established brands must prioritize the development of cutting-edge electric vehicles that meet diverse consumer needs. This includes everything from compact urban cars to high-performance electric SUVs and trucks. The ability to offer a wide range of EVs will be crucial in capturing different market segments.

Enhancing Consumer Experiences: As technology becomes more integrated into vehicles, the overall user experience will become a critical differentiator. This involves not only in-vehicle technology but also the sales and after-sales processes. Brands must focus on seamless digital experiences, user-friendly interfaces, and personalized services.

Embracing a New Automotive Era

Adaptation to Technological Trends: Established brands need to embrace new technology trends, including autonomous driving, AI integration, and advanced connectivity. These technologies are not just add-ons but essential components of the modern vehicle experience. Companies like *Tesla* have set high standards in these areas, pushing others to innovate rapidly.

Supply Chain Resilience: To mitigate risks associated with global supply chains, particularly in battery production, automakers are investing in local production capabilities and seeking diversified sources of critical materials. This shift aims to reduce dependency on any single region and ensure a more resilient supply chain in the face of geopolitical tensions.

Consumer Engagement and Brand Loyalty: Building strong relationships with consumers will be crucial. Brands must focus on creating exceptional customer experiences that extend beyond the purchase of a vehicle. This includes comprehensive after-sales service, software updates, and community engagement. *Tesla's* direct sales model and continuous software updates have set new benchmarks in this regard.

Sustainability and Environmental Stewardship: As environmental concerns become more central to consumer decision-making, brands must demonstrate a commitment to sustainability. This includes not only producing zero-emission vehicles but also ensuring sustainable practices throughout the production and lifecycle of their products. Companies that lead in sustainable innovation are likely to gain a competitive advantage.

The Role of Policymaking and Regulation

Governments and regulatory bodies will play a pivotal role in shaping the future of the EV industry. Policies that support EV infrastructure development, such as charging stations and battery recycling facilities, will be vital. Incentive programs for consumers and manufacturers can further accelerate the transition to electric mobility.

Infrastructure Development: Public and private sectors need to collaborate on building extensive charging networks. This infrastructure is crucial for easing range anxiety among consumers and supporting widespread EV adoption.

Incentives and Subsidies: Continued government incentives, such as tax rebates and subsidies for EV purchases, can drive consumer adoption. These financial incentives make EVs more accessible to a broader audience.

Environmental Regulations: Stringent emissions standards and environmental regulations will push automakers to prioritize sustainable practices and accelerate their transition to electric vehicles.

The Road Ahead: Embracing the Future of Mobility

The global automotive industry is on the brink of a profound transformation, driven by technological advancements and shifting market dynamics. Established car brands face significant challenges, but also opportunities to redefine themselves in an era dominated by electric vehicles and new mobility solutions.

The rise of Chinese automakers represents both a challenge and a catalyst for innovation. As these companies continue to improve their offerings and expand globally, they will push the entire industry towards greater efficiency, sustainability, and consumer-centricity. Likewise, established players will need to leverage their strengths, such as brand heritage and global reach, while embracing new paradigms in vehicle technology and consumer engagement.

Conclusion

The 'Made in China' crisis, coupled with the global shift towards electric vehicles, marks a pivotal moment in automotive history. Established car brands are at a crossroads, faced with the need to adapt swiftly and strategically to remain relevant in an industry increasingly dominated by innovation and sustainability. The 'Made in China' crisis is not just a threat but a call to action for established car brands to innovate, collaborate, and evolve. The future of the automotive industry will be defined by those who can best navigate these challenges and seize the opportunities presented by the shift to electric vehicles and new mobility models. To succeed, traditional brands *must embrace innovation, form strategic alliances, enhance consumer experiences, and engage with policymakers*. The four main challenges of *Quality, Cost, Time and Innovation*, need to be at the forefront of strategic decision making if established car brands can emerge from this crisis.

As we look to the future, the automotive industry is set to become more dynamic and interconnected than ever before. The companies that can best navigate this landscape will not only thrive but also lead the charge towards a more sustainable, technologically advanced era of mobility. The shift to electric vehicles is not just an industry transformation but a global movement towards a cleaner, more efficient future, and every player in the industry has a role to play in this exciting journey.

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PRESIDENT'S MESSAGE



REPORTS PRESENTED AT AGM 2025 PRESIDENT'S REPORT 2024-2025 - THE 29TH YEAR

In 2024-25 we continued with the successful strategies of the institute, especially with the 2 Global Zoom Program offered by its fully owned Syme Business School, being a great success, with over 140 participants from 25 countries across the globe participating each time.

Consequently, I am happy to report that in 2025 the growth momentum continued, and therefore, our Institute in its 29th year is even stronger and in stellar health, both at home in Australia & New Zealand as well as internationally.

I am pleased to report that we continue to maintain a strong and stable financial position, even amidst ongoing global uncertainty.

1. Our revenue grew by 2.4% over the previous year – a steady and reassuring result that continues the growth trend (there was an exceptional 37% growth achieved in the immediate post-Covid period).
2. This consistent performance reflects the strength of our programs, the dedication of our members and partners, and the prudent financial management practices we have upheld.
3. Looking ahead, the outlook for 2025-26 appears highly promising, with early indicators showing that both revenue and overall results are tracking well ahead of last year.

This solid foundation places us in an excellent position to continue expanding our initiatives, strengthening our collaborations, and investing confidently in the Institute's future growth.

The current financial 2024-25 looks promising and the numbers are higher than last year. We can be cautiously optimistic of stronger growth in the years to come.

ICMA has adapted very well to the challenging post-pandemic world and has emerged stronger and more resilient by channelling its resources towards:

- Maintaining the New Zealand Government Qualification Authority (NZQA) assessment for the CMA program as being equivalent to the highest postgraduate level (Masters)
- Continually Improving our website.
- Enhancing our member portal.
- Holding two very successful Global CMA Zoom programs – the latest of which was attended by 140 participants from 25 countries across the world
- Holding regular Webinars for our members.
- Holding prestigious 'Hall of Fame' events in Australia and globally.
- Submissions to the Government.
- Attended industry relevant seminars and meetings
- Sponsoring awards at Universities in Australia, the UK and Indonesia.
- Publishing opinions pieces and media releases on important matters.
- Providing an electronically verifiable membership badge (certified by Credly) available to our members.

Activities in Australia & New Zealand: CMA (ANZ) Hosted the Prestigious *Hall of Fame Induction Dinner* in November 2024 and inducted three outstanding champions into its Global Accounting; Management Accounting and Social Purpose Innovator Hall of Fame categories at a gala dinner held at the RACV Melbourne on the 29th of November 2024.

Activities in Regional Offices

Sri Lanka: His Excellency Mr Paul Stephens, High Commissioner, Australia was the Chief Guest and His Excellency Mr David Pine, High Commissioner, New Zealand was the Guest of Honour at the Sri Lanka Graduation Ceremony in November 2024 where 250 CMAs were inducted. ICMA also proudly celebrated its 25th anniversary (Silver Jubilee) in Sri Lanka this 2024. The series of year-long celebratory activities culminated with a grand celebratory event on the 22nd of November 2024.

CMA Program: Two hugely popular *CMA Global programs* were held over *Zoom*, and *CMA intensive Face-to-Face Programs* were conducted in *Sri Lanka, Thailand, Dubai, Indonesia, Canada, Lebanon, Hong Kong and the Philippines*.

Publications: The eNewsletter *On Target* continued to be published and the web-analytics indicates that it gets on average 5,000 visits and 6,000-page views per month. Its research journals, *Management Accounting Frontiers (MAF)* continued to be published in 2024-25.

Syme Business School (100% Owned by ICMA): Syme Business School continued to organise Zoom programs for ICMA as listed above and this proved to be profitable and efficient for Syme Business School. As a result of this, ICMA is happy to announce that Syme Business school made a profit for the fourth consecutive financial year in 2024-25 and is continuing to operate profitably in 2025-26. Consequently, they continue to reduce the accumulated past losses.

Services Provided by the Secretariat.

- **CPD Register:** The institute's online CPD Register where members can upload the CPD they have undertaken in the assessment period.
- **CPD Opportunities:** Providing Continuing Professional Development (CPD) opportunities to members via Calwest University in the USA and the Academy of Finance and Management Australia (AFMA). Special arrangements were made with these two organisations to provide education programs at discount prices to members due to COVID-19 restrictions. These arrangements continued in the 2024-2025 period.
- **Website: Maintaining** the corporate website that is in keeping with the enhanced international profile of ICMA (ANZ).
- **Members Only Area:** Maintaining a Members Only area on the website.
- **CMA Updates:** Emailing monthly the Members Update, and Publishing in pdf format 6 copies of the On-Target newsletter.
- **CRM:** Having a world-class Customer Relationship Management (CRM) system to handle the membership, invoicing, examinations and accounts.
- **Social media:** The ICMA official sites of Facebook and Instagram are now significantly enhanced and the publications of the CEO Blog continued over the year.

The Financial statements of the Institute were distributed to all members present and discussed. The Treasurer, Chris D'Souza then discussed the accounts in detail.

Professor Brendan O'Connell, FCMA President, ICMA Australia

Note: For more detailed AGM reports please go to website: <https://ontarget.cmaaustralia.edu.au/reports-presented-at-agm-2024/>



ARR GROWTH: THE HOTTEST VALUATION METRIC IN VENTURE CAPITAL

Prof. Janek Ratnatunga, CEO, CMA ANZ



Introduction

Beginning in 2024, a stream of “incredible” growth metrics from VC-backed startups in Silicon Valley began to show up, especially in *Artificial Intelligence (AI)* startups. Their reported **Annual Recurring Revenues (ARRs)** showed almost unbelievable growth.

But how reliable is this most amazing of growth metrics?

Take, for example, the case of **Midjourney**, an AI service that creates images from text descriptions, or “prompts”. It is a generative AI tool that operates on the chat platform *Discord* and allows users to type a command and receive AI-generated art in return. In less than three years, its **Annual Recurring Revenue (ARR)** grew from zero to \$200 million.

Another example is **ElevenLabs**, a voice AI startup that develops AI software that generates realistic and expressive speech from text, with tools for voice cloning, a voice library, and creating custom voices from text descriptions. In 20 months, it saw its ARR soar from zero to near \$100 million.

There are so many other examples. **Lovable**, an AI-powered platform that allows users to create websites and full-stack web applications by describing their ideas in natural language prompts, went from zero to \$17 million in ARR in just three months. **Decagon**, an enterprise AI platform that helps support teams automate customer service using large language models (LLMs), achieved “seven figures” in ARR within its first six months. It claims that its AI agents can autonomously handle tasks like

answering product questions, processing refunds, and cancelling subscriptions — helping businesses reduce support costs and scale faster. **Cursor AI**, is an AI-powered code editor that assists developers by using large language models to help write, debug, and refactor code using natural language prompts. The company’s ARR went from zero to \$100 million in a year.

These numbers are eye-popping. But are they reliable? And how does the ARR impact investor interest and company valuations?

This article explores what appears to be the new frontier of creative accounting.

What is Annual Recurring Revenue (ARR)?

ARR is a key financial metric used primarily by *subscription-based businesses* to measure the total value of recurring revenue components in a business’s revenue stream, normalised on an annual basis. It is a crucial indicator for **Software as a Service (SaaS)** companies and other subscription-based businesses, as it provides insight into the company’s revenue health and growth potential (Nansubuga and Kowalkowski, 2024).

How is the ARR calculated?

The key variable in the calculation is **Recurring Revenue**. This could be *via (1) monthly or yearly subscriptions* that customers pay for continued access to a service and *via (2) contracts*, i.e., long-term agreements that ensure a steady revenue stream over a specified period.

The main difference is that **ARR (Annual Recurring Revenue)** is a forward-looking metric that represents the current, predictable revenue from active subscriptions, while **CARR (Contracted Annual Recurring Revenue)** is an even more forward-looking metric that includes committed, but not yet billed, future revenue from signed contracts, including anticipated expansions. In essence, ARR shows the present revenue snapshot, while CARR forecasts future potential and growth based on existing contracts.

There are some **Exclusions** in both calculations. Both ARR and CARR do not include one-time fees like *setup fees, consulting fees, or any other non-recurring charges*. Also excluded are *variable charges*, such as *usage-based charges*, which fluctuate and are not predictable.

For AI-powered, *usage-based models*, **Token usage** is the key component used for calculating the ARR, because it directly translates to the revenue generated by usage-based pricing models.

The ARR is calculated by taking the Monthly Recurring Revenue (MRR) and multiplying it by 12. This provides a straightforward view of the expected revenue over a year.

ARR = MRR x 12

Alternatively, if the business bills annually, ARR can be calculated by summing up all the annual subscription fees.

It is as simple as that, as shown in the following example:

Example: A SaaS company has a mixed billing system. It has 1000 customers, each paying \$50 in subscriptions on a monthly plan, and 2000 customers on an annual plan, paying \$400 per year.

MRR from monthly subscriptions = 1000 customers x \$50 = \$50,000

Therefore, ARR from monthly subscriptions = \$50,000 x 12 = \$600,000

ARR from annual subscriptions = 2000 customers x \$400 = \$800,000

Therefore, Total ARR = \$600,000 + \$800,000 = \$1,400,000

Many companies offer *multiple subscription tiers*, such as Basic, Pro, and Enterprise, and the ARR from each tier must be summed to calculate the total company ARR.

Token Usage

To incorporate token usage into ARR, companies must determine the revenue from token usage by first determining the cost per token. Then it must *estimate customer usage* by analysing user behaviour to predict how many tokens a customer will use over a given period, e.g., monthly. Then it can calculate *monthly usage revenue* by multiplying the number of tokens by the cost per token to calculate the revenue for that month. Finally, to obtain the *annualised usage revenue*, multiply the monthly usage revenue by 12 to obtain the annual usage revenue.

How Does the ARR impact Company Valuation?

Annual Recurring Revenue (ARR) significantly impacts company valuation by indicating a company's revenue predictability, scalability, and customer retention, which are all key factors for investors. Higher ARR suggests a more stable and predictable revenue stream, leading to a higher valuation, especially for SaaS and subscription-based businesses, which are often valued based on a multiple of their ARR. A strong ARR multiple reflects a healthy

business with sustainable competitive advantages (SaaS Capital, 2025).

Investors, especially VC investors, often use the ARR multiple to determine how much they are willing to pay for each dollar of a company's recurring revenue.

Strong ARR companies often command significantly higher valuations, sometimes surpassing those relying on perpetual licences by six times. For example, **Adobe's** stock price nearly tripled after it shifted to a subscription model, demonstrating the market's preference for this stability (Nurkka, et. al., 2017).

In its purest form, the ARR should provide a clear, predictable revenue stream, reducing uncertainty compared to one-time sales. This financial stability is highly attractive to investors and allows for more accurate forecasting of future earnings. Consistent ARR growth indicates that a company can scale its operations efficiently and grow its customer base. High ARR, particularly when looking at metrics like *retention* and *churn*, is considered a strong indicator of customer satisfaction and loyalty, which is crucial for long-term success.

Valuations of Start-ups.

Unlike public companies, *start-up companies* (especially Tech start-ups) are not monitored the way that public companies are. Whilst public companies have to report quarterly to a country's *Securities and Investment Commission*, VC investors do not necessarily look for audit reports of the start-up companies they invest in. Whilst there is a financial due diligence process that may involve an informal audit before a VC invests, it is more likely a game played with trust.

And in the **SaaS** era (which technically started in the 1990s and gained steam through the 2000s), trust in ARR came comparatively easily. In the earlier period, there was an agreed-upon set of **conventions**. For example, *annual per-seat pricing* was *standard*, where one user pays for one year, and then accounts expanded by adding multiple users. There was a clear separation between ARR and CARR (signed contract value before activation) and recognised revenue (actual revenue booked). Typically, 80% to 90% of CARR would convert to ARR, and you could predictably chart a company's expansion, relying on low churn rates and steady customers.

There were, in short, standardised methods of calculating ARR.

How ARR Creativity Became the Favoured Metric in AI Valuations

As outlined earlier, until about the early 2020s, everyone agreed with these terms in the SaaS world. All this has now changed. *Anna Barber*, a partner at VC firm **M13** now says:

"The numbers then were a lot harder to manipulate, because people had a general understanding of what things had to mean. Today, we don't know what things have to mean in the same way. So, there is a lot of confusion and, maybe, obfuscation." (Garfinkle, 2025).

Although absolute revenue clarity was not necessarily always there in the SaaS era, as the cloud computing wave started to take shape, ARR started to get a little erratic. People began to question the suitability of subscription revenue as a proxy for ARR. However, it was the emergence of AI that created a whole new layer of uncertainty.

Nnamdi Okike, cofounder and managing partner of **645 Ventures**, says:

"Investors wanted to keep evaluating companies as SaaS-predictable, so they tried to shoehorn those elements into 'recurring' revenue. It

doesn't truly work, but it worked well enough for investors to keep doing it. Now AI has shown up with a whole new set of elements, and it would be better for investors to finally create new metrics to represent this new reality." (Garfinkle, 2025).

Creative Revenue Recognition Across Industries

Revenue itself, on a fundamental level, features both *core truths* and *discretionary realities*. As such, whilst there was a significant amount of variation across industries, there were also widely accepted optimal accounting principles pertaining to revenue recognition. Until proven otherwise, adopting an optimistic perspective on revenue is not illegal, and many even consider it a long-standing tradition. But that can still cause problems (or crises) down the line.

Traditionally, companies book revenue when the service is provided and/or when the goods are delivered. Depending on how the contracts are written, depending on how clear those stated objectives or benchmarks are noted, and/or just the industry in general, there is some room for discretion and perhaps misreporting, intentional or not. Also, there are often incentives tied to revenue for management and members of the sales teams.

In general terms, however, there *are* normal red flags around revenue that accounting experts watch for. A primary concern among external auditors is to watch out for revenue that is being creatively inflated. There are always many things auditors are looking for, but a company potentially trying to manipulate the revenue numbers to achieve a goal that really contradicts objective reporting is always a red flag.

Pressure in the Tech Industry for High ARR

Today, there is significant pressure to be the company that went from zero to \$100 million in ARR in the shortest number of days.

As discussed earlier, the ARR metric came to be a favourite of VCs and startups through the software-as-a-service (SaaS) wave starting in the 2000s, when it was widely accepted as a trusted proxy for a stable startup with a reliable source of revenue and a reasonably shored-up future.

However, as billions flowed across the venture capital ecosystem into AI startups, some mere months old, the vaunted, trusted ARR metric has morphed into something much harder to recognise. There is now a massive amount of pressure on AI-focused founders to report significant ARR growth at earlier stages than ever before: If they are not generating revenue immediately, it raises the question of what their current focus is. Founders—to keep up with the Joneses—are counting all sorts of things as “long-term revenue” that are, to be blunt, nothing your regular accounting professor would recognise as legitimate.

Exacerbating the pressure is the fact that more VCs than ever are trying to funnel capital into possible winners at a time when there is no certainty about what evaluating success or traction even looks like. Throughout the '90s, VC as an industry grew to more than 700 firms managing about \$143 billion. Today, there are more than 3,000 VC firms, according to the *National Venture Capital Association*, managing more than \$360 billion, with some projections suggesting venture will be a more than \$700 billion industry by 2029 (Ceppos, 2025).

Creative accounting has a long history of emerging during economic booms, a practice that dates back to the Gilded Age when inflating assets, understating liabilities, and bribery were common. More recently, the dotcom boom and the lead-up to the Great Recession revealed practices such as ‘channel stuffing’,

‘roundtripping revenue’, and the infamous ‘special purpose entities’ in creatively reporting revenue. Now, industry watchers are beginning to raise concerns about ARR.

The problem is that so much of this is essentially ‘speculative’ revenue. This situation is different from **Google** signing a data centre contract with a provider. That is *real future revenue*. In most cases, a startup temporarily uses another company's name, product, or service while claiming to have a contractual relationship. This certainly is not *recurring* revenue.

Creative Accounting in ARR Calculations

Today, ARR is in what could be described as an awkward phase, where there are some AI startups that are trying to use the metric with sincerity, but their business dynamics are just too different from traditional SaaS businesses. Many are still in an experimentation phase, trying all sorts of products on *short-term pilots*, creating high *churn risk*.

Furthermore, AI services often have unpredictable *token usage*, which refers to the amount of text that AI processes to understand language. (More tokens equal more usage, and more complicated queries require more token usage, by extension.) So, a few “inference whales” like *OpenAI* and *Anthropic* have massive pricing power and can skew costs, making AI startups' financial structures fundamentally different from traditional SaaS businesses.

The result? Founders are counting pilots, *one-time deals*, or *inactivated contracts* as recurring revenue. For example, some startups are claiming “booked ARR”—numbers based on what customers *might pay* in the future rather than what they *actually are paying now*—even though contracts frequently have provisions that let customers opt out at any time for any reason.

Companies are entering into contracts that include *kill provisions*, which allow them to claim booked ARR while providing their customers with a way out. Surely it should concern VC investors if a startup company books a million-dollar-a-year contract, includes it in their ARR calculation, only to have it cancelled for no reason within three months?

A case in point is **Cluely**, a startup born of controversy after Founder *Roy Lee* posted in a viral X thread saying he was suspended by *Columbia University* because he and a co-founder developed a tool to cheat on job interviews for software engineers. He claimed that he turned around and created a product and startup out of the tech, originally using the marketing tagline that it helps you “*cheat on everything*.” However, the startup's controversial history has not stopped businesses from showing interest in Cluely's product. Now, due to big-league VCs backing it, Cluely has toned down its marketing to “*Everything You Need. Before You Ask*.” Cluely now claims to have doubled ARR to \$7 million over a *week* by signing a public company that doubled its annual contract with them to \$2.5 million. However, Lee declined to name the company (Temkin, 2025).

The Circular Startup Ecosystem

There are also broader sociological changes making the ARR shenanigans possible. A part of the fault lies in well-established accelerators which have standardised “what to say” to raise money. This approach has encouraged metric manipulation.

Further, many of these startups ultimately sell to other startups circuitously, making things even more insular. More than private equity, more than even banking, venture capital has an ‘in’ crowd, i.e., a certain sort of person gets funded with a certain sort of business model.

Conclusion

The emphasis on ARR is ultimately reflective of a wider reckoning in ventures overall. Not only are there more VCs (and more capital) than ever, but priorities are in flux. Ilya Strebulaev, a professor at the Stanford Graduate School of Business and coauthor of *The Venture Mindset*, says:

“Generally, historically, there’s been an important trade-off in the venture capital industry between profitability and growth. But roiled by geopolitical tensions and macroeconomic uncertainty, that pendulum has been changing over time. I think venture capitalists are now spending more effort on profitability today than in the past and are spending more effort on revenue. But that doesn’t mean the trade-off between profitability and growth has evaporated—absolutely not.” (Garfinkle, 2025).

The consensus among VCs seems to be that ARR will ultimately not be the way forward at all: Priya Saiprasad, general partner at Touring Capital, says:

“The classic SaaS model is dying as we speak. We shouldn’t be using classic SaaS terms to measure these companies; we shouldn’t be using the language of it. So, we should all, collectively as an industry, evolve to a new set of metrics we feel comfortable measuring these companies by.” (Garfinkle, 2025).

Ultimately, smart investors will develop new ways to assess AI businesses, focusing on retention, daily active usage, and unit economics. If a bubble bursts, VCs and founders who inflated ARR may suffer most. This is an equity-driven boom, and the main losers in equity-driven booms like the one right now are the ones who made the bets.

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DECODING A CENTURY: HOW MANAGEMENT THEORIES TRANSFORMED FINANCE AND THE FUTURE AHEAD

Kapila Dodamgoda



Over the past 100 years, we've witnessed transformations more radical than those of many centuries before. Each decade of the last century has reshaped how we live, work, and think—often in ways unimaginable to even the most daring futurists. While these shifts have vastly improved human life, they've also placed unprecedented strain on our planet. This article explores each decade's socio-economic context, the rise of key management ideas, and how finance and accounting evolved alongside.

1920s – The Efficiency Era: Foundations of Modern Management

The 1920s marked the peak of the Second Industrial Revolution. Rapid industrialisation, urban growth, and post-WWI recovery fuelled mass production and consumer demand. Factories scaled up to serve a booming middle class.

Frederick Taylor's Scientific Management Principles transformed work into a science of efficiency. Time-and-motion studies broke tasks into repeatable units, emphasising standardisation, specialisation, and output over intuition. Workforces became components in a larger production machine.

These ideas revolutionised accounting. Firms needed granular data to track productivity, allocate overheads, and manage capital investments. This gave rise to standard costing, variance analysis, and capital budgeting—foundational tools for modern management accounting and strategic decision-making.

Decoding a Century: Management & Finance Transformation Timeline

1930s – The Human Factor Decade

The 1930s were shaped by the *Great Depression*—marked by mass unemployment, corporate failures, and widespread uncertainty. Amid the crisis, governments began regulating labour and workplace standards to stabilise economies.

Management thinking took a human-centred turn with *Elton Mayo's Hawthorne Studies*, revealing that productivity was not just about physical conditions or wages—but also about morale, recognition, and belonging. The Human Relations Movement took root, introducing concepts like motivation, informal groups, and participative leadership.

Financial practices followed suit: budgets began accounting for training, morale, turnover, and supervision costs. This decade

sowed the seeds of human capital accounting, where employee well-being and organisational culture were no longer soft concerns—but measurable drivers of sustainable profitability and performance.

1940s – The Age of Analytics and Wartime Precision

The 1940s were shaped by *World War II* and its aftermath. Entire economies were mobilised for the war effort, requiring large-scale planning, logistical precision, and efficient resource management. Post-war reconstruction accelerated technological advances and systems thinking.

Operations Research (OR) emerged, applying statistics, mathematics, and decision science to solve complex problems. *Statistical Quality Control (SQC)*, popularised by *Shewhart and Deming*, emphasised data over intuition. This decade marked the shift towards analytics, performance metrics, and system optimisation.

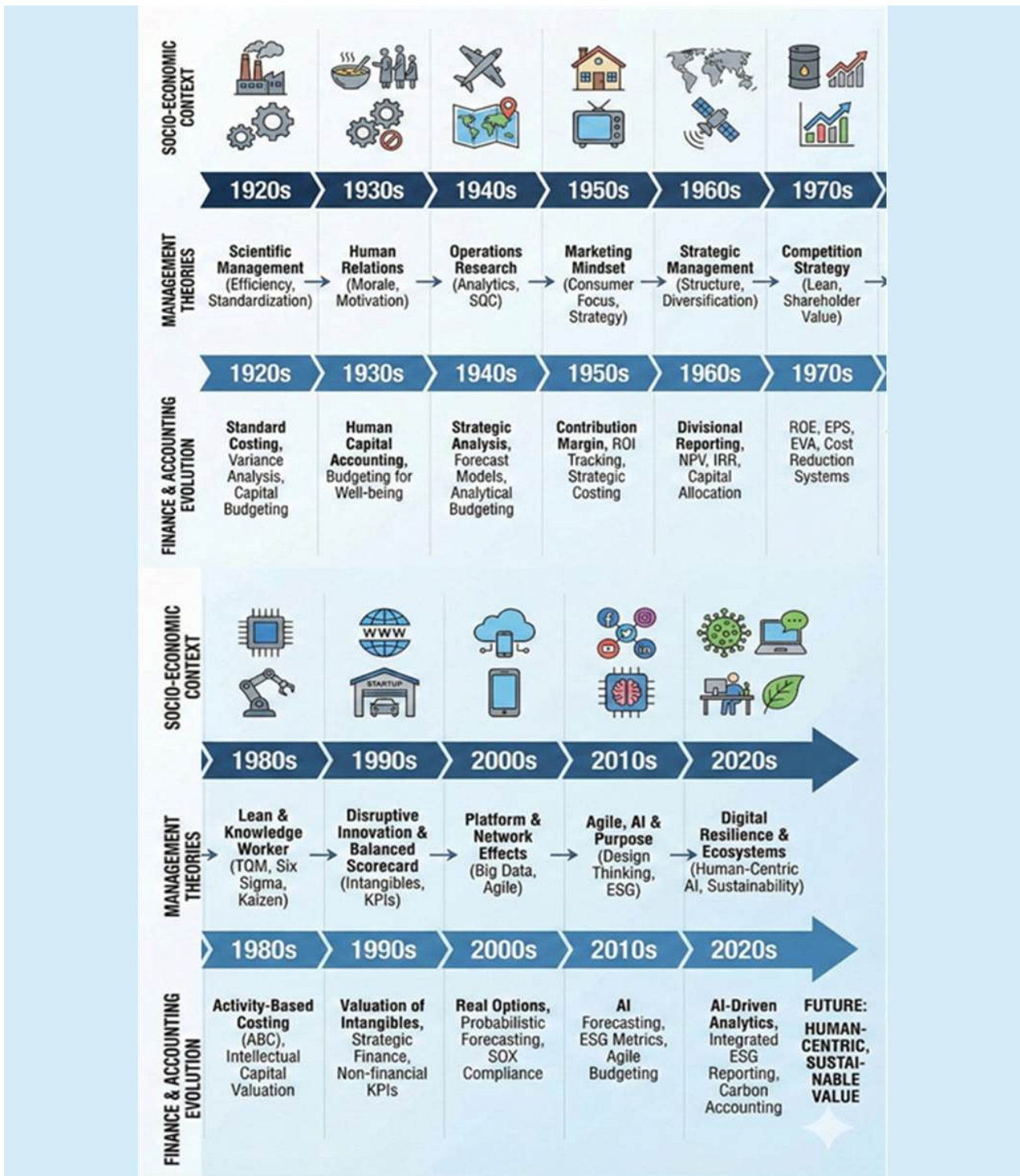
Accounting evolved from record-keeping to strategic analysis. Tools like standard costing, variance analysis, and analytical budgeting supported OR-led efficiency. Finance professionals became strategic partners, aiding capital planning and resource optimisation using forecast models and quantitative tools.

1950s – The Age of Marketing Mindset and Strategic Spending

The post-war boom of the 1950s brought rising incomes, suburban growth, and consumerism. With televisions and mass media reaching millions, businesses began focusing less on production and more on understanding consumer desires, brand loyalty, and market differentiation.

Marketing emerged as a strategic discipline. Thought leaders like *Peter Drucker, Theodore Levitt and Philip Kotler* emphasised that the purpose of a business is to create and keep customers. Concepts like segmentation, positioning, and competitive advantage took root. Firms invested in advertising, R&D, and customer-centric innovation.

Finance adapted to support marketing strategy—tracking customer acquisition cost, advertising ROI, and product profitability. Tools like contribution margin analysis, break-even models, and strategic costing became essential to align budgeting with market-driven decision-making.



1960s – The Strategy Era: Aligning Structure with Vision

The 1960s saw rising *globalisation*, cold war tensions, and rapid technological advances. Corporations expanded into conglomerates, and global markets became more interconnected. With increasing complexity, firms needed clear direction and better coordination between growth, risk, and performance.

Strategic management emerged as a discipline. Thinkers like *Alfred Chandler* and *Igor Ansoff* highlighted the need to align organisational structure with long-term strategy. Strategic planning, diversification, and portfolio management gained traction, with corporate HQs guiding multi-divisional operations and capital allocation.

Divisional reporting, ROI, and investment appraisal tools like NPV and IRR became critical. Finance evolved to support strategic decision-making, capital budgeting, and performance evaluation in diversified business environments.

1970s – The Age of Competition and Capital Efficiency

The 1970s brought *stagflation*, oil crises, and rising *global competition*—especially from Japan. Businesses faced inflationary pressure, declining productivity, and unpredictable markets, forcing a shift toward profitability, agility, and capital discipline.

Michael Porter's Five Forces framework reframed competitive strategy. *Milton Friedman's* view of *shareholder primacy* gained momentum, prioritising investor returns. *Lean production*, *Just-In-Time (JIT)*, and *waste reduction*—pioneered in Japan—were widely adopted. Strategy became more combative, efficiency-focused, and market-driven.

Finance emphasised capital efficiency, ROE, TSR, and EPS. EVA (Economic Value Added) began gaining traction. Accounting evolved to support lean operations, performance measurement, and shareholder-value creation. Cost systems adapted to inflationary realities and competitive pressures.

1980s – The Rise of Lean Thinking and the Knowledge Worker

Deregulation, globalisation, and technology defined the 1980s. Japan's industrial efficiency challenged the West, while computing and automation shifted the focus from manual labour to knowledge work.

Toyota's Lean system, built on *Kaizen* and *Just-in-Time (JIT)*, became a global model. Western firms adopted **Total Quality Management (TQM)** and *Six Sigma*. *Peter Drucker* introduced the "knowledge worker" concept, recognising intellectual labour as a key economic driver. People and process became central to productivity and innovation.

Activity-Based Costing (ABC) emerged to more accurately trace costs. Investment in training and R&D was seen as strategic, not just operational. Human and intellectual capital gained attention in valuation, influencing long-term planning and reporting.

1990s – The Digital Dawn and Shareholder Value Revolution

The 1990s saw the rise of the internet, globalisation, and deregulation. Startups disrupted established firms, while intangible assets like brand, innovation, and customer loyalty became key to competitiveness.

Clayton Christensen's theory of Disruptive Innovation explained how small players could overtake giants. *Kaplan and Norton's Balanced Scorecard* introduced non-financial KPIs—like customer satisfaction and innovation—into strategy. Knowledge management also gained importance.

Traditional metrics could not capture intangible value. The Balanced Scorecard helped finance teams include forward-looking and qualitative performance drivers. Valuation models began factoring in intangibles, making finance more strategic in managing brand equity, customer retention, and innovation.

2000s – The Connected Enterprise and Corporate Scandals Era

The 2000s saw a further shift towards digital operations and globalisation. Internet expansion, platform businesses, and data became strategic drivers. Tech giants like Amazon and Google reshaped industries. The 2008 *financial crisis* highlighted the need for stronger risk and transparency measures.

Platform-based thinking and network effects redefined value creation. Big data and early machine learning supported predictive analytics, demand forecasting, and personalisation. Global supply chains and lean digitisation improved agility and efficiency.

Finance adapted to subscription models, data monetisation, and evolving revenue recognition standards. Tools like real options and probabilistic forecasting grew popular. Post-crisis, SOX regulations brought tighter controls, while risk management and financial reporting saw major upgrades.

2010s – AI, Agility, and Purpose

Smartphones, cloud computing, and social media redefined connectivity and created vast data ecosystems. Agile startups disrupted industries, while global challenges—like inequality, climate change, and data privacy—pushed businesses towards social responsibility.

Agile, lean startup methods and design thinking became mainstream. AI and machine learning enhanced decision-making and customer engagement. Ethical leadership and purpose-driven models gained traction, with leaders advocating empathy, inclusion, and long-term impact.

Finance embraced AI for forecasting, fraud detection, and anomaly spotting. ESG metrics rose in importance, with investors demanding sustainability. Agile budgeting, rolling forecasts, and scenario planning became essential. CFOs shifted towards strategic, ethical, and impact-aligned roles.

2020s – The Digital Disruption and Data Awakening Decade

The 2020s have been shaped by a cascade of global disruptions—from the COVID-19 pandemic to geopolitical shocks and climate emergencies. These accelerated digital transformations across every industry. Remote work, digital health, and online education redefined daily life. Data became the world's most valuable resource, while concerns around misinformation, cybersecurity, and sustainability took centre stage. The decade also saw the rise of Gen Z as workers and consumers, demanding transparency, inclusion, and digital-first engagement.

Leadership models evolved towards resilience, empathy, and adaptability. "Digital-first" became the strategic default. Technologies like generative AI, blockchain, and the metaverse began reshaping customer experience and business operations. Firms embraced data democratisation, low-code platforms, and real-time decisioning. The pandemic normalised agile planning, hybrid teams, and decentralised innovation. ESG (Environmental, Social, Governance) moved from compliance to core strategy, and stakeholder capitalism gained traction.

CFOs led digital finance transformation—embedding automation, AI, and real-time analytics into core workflows. Integrated ESG and sustainability reporting became critical to investor relations. Finance teams adopted scenario-based planning, rolling forecasts, and carbon accounting. Accounting standards continue to evolve for digital assets, subscription revenue, and environmental liabilities. The function's role expanded beyond stewardship into guiding long-term, purpose-aligned value creation.

Final Thought

To lead the future, businesses must evolve into ecosystems of impact—where tech drives progress, ethics set the compass, sustainability anchors decisions, and people stay at the heart. The next era of management won't just be about getting smarter—it will be about getting more human.

To build this future, three pillars must guide our transformation. First, technology must serve as an enabler, not a replacement—tools like AI and data should empower decision-making, not dictate it. Second, sustainability and ethics must be embedded into strategy, not bolted on. And third, the human factor must be elevated, valuing empathy, emotional intelligence, and authentic connection as core drivers of innovation and impact.

As we stand on the brink of an era defined by seamless man-machine integration, let us not forget the essence of what makes us human. The future must not be a world where warmth is replaced by emojis or where conversations end with an algorithm. It must be a world where sustainability guides our progress, where ethics ground our innovations, and where technology empowers, not replaces, genuine connection.

In this dream future, we will meet eye to eye, not screen to screen; speak our own emotions with our own words, not AI-generated text; and end each day not with a tap to "log off", but with a warm hug and the promise of tomorrow.

Mr. Kapila Dodamgoda, BEng, FCMA, is the ICMA(ANZ) Regional Director for Sri Lanka



NAVIGATING GLOBAL TURBULENCE IN 2026: TURNING VOLATILITY INTO OPPORTUNITY

Dr. Chris D'Souza , Deputy CEO of CMA (ANZ)



Introduction

"The greatest danger in times of turbulence is not the turbulence itself, but to act with yesterday's logic." – Peter Drucker

Volatility is no longer a passing phase; it has become the rhythm of modern business. From geopolitical shocks to inflation to AI disruption, global shocks now shape the landscape rather than disturb it. The ripple effects of President Trump's unpredictable actions and specifically his weaponisation of tariffs have caused geopolitical tensions and unsettled global trade norms, overturning decades of economic order and forcing organisations to rethink their supply chains, markets, and competitive positions.

Leaders must steer with a new compass, balancing Quality, Cost, Time, and Innovation while keeping sight of the Three Cs: knowing their costs, their customers, and their competitors. Creativepreneurship, the fusion of disciplined management and imagination, enables organisations to pivot quickly and capture new value. Agility now matters more than size. The enduring stories of Toyota, Apple, Unilever, Microsoft, and Netflix show that resilience is born from clarity, curiosity, and continuous reinvention. Within every storm lies a chance to evolve, and those who truly understand themselves and their ecosystems will turn uncertainty into advantage.

The World in Turbulence

"Change is the law of life. And those who look only to the past or present are certain to miss the future." – John F. Kennedy

2026 arrives not as a gentle dawn but as a restless sea. Geopolitical rivalries reshape trade routes, and the tariff saga, launched by the United States under Donald Trump's administration and sustained through successive rounds of escalation and de-escalation,

continues to unsettle global markets and fragment supply chains. Interest-rate swings jolt currencies, and networks once deemed efficient now reveal their fragility. Meanwhile, generative AI advances faster than regulators can respond, and climate extremes blur the line between economic and human crises.

Volatility is no longer a headline; it is the background music of global commerce. Forecasting feels like fortune-telling, yet opportunity hides inside every disruption. The challenge for leaders is not to resist the storm but to learn to sail within it.

The business environment of 2026 is defined by speed, uncertainty, and interdependence. Interest-rate cycles remain uneven across major economies. Currency shifts alter landed costs and margin profiles month by month. Geopolitical tension and sanctions redirect trade routes, while climate events stress logistics and insurance. At the same time, artificial intelligence and automation compress decision cycles, elevate productivity for the prepared, and widen the gap between the fast and the slow.

Yet volatility is not only financial or geopolitical; it is cultural and social as well. Consumers demand convenience, transparency, and alignment with their values. Employees expect flexibility, purpose, and growth. Regulators require responsibility and resilience. These expectations converge, not sequentially but simultaneously, often in conflict. The result is a leadership challenge that cannot be solved by a single plan but by a system of disciplined learning and adaptation.

The opportunity, however, is real. When markets fragment, niches emerge. When supply chains rewire, nearby partners and agile entrants find relevance. When digital tools democratise capability, smaller firms can act like global players, and large firms can behave like fast explorers. The question is not whether

turbulence will ease; it is whether we can build the clarity and capability to move through it with confidence.

From Reaction to Resilience

"It's not what happens to you, but how you react to it that matters."
– Epictetus

True resilience begins where reaction ends. During times of crisis, impulsive cost-cutting and fear-based retrenchment often erode long-term strength. Resilient organisations act with perspective and discipline.

In the first moments of a shock, many companies default to across-the-board cuts, delayed investments, and decision paralysis. These actions may feel safe, but they often weaken the very muscles needed for recovery. Resilient organisations pause long enough to ask better questions: What must we protect at all costs? Where can we trim waste without harming capability? Which bets deserve more funding precisely because the world has changed?

When the COVID-19 pandemic disrupted global education, CMA (ANZ) faced a defining test of leadership. Almost overnight, face-to-face teaching across continents came to a standstill. Guided by foresight and a commitment to its members, CMA quickly reimagined its delivery model through the Global Zoom Program, ensuring that learning continued seamlessly across borders and time zones. What began as a rapid response soon evolved into a strategic advantage-broadening global access, deepening engagement, and reinforcing CMA's position as an innovative and resilient professional body.

Consider Toyota's experience after the 2011 earthquake and tsunami. The company committed to deeper visibility into tier-two and tier-three suppliers, diversified critical components, and developed alternative production pathways. A decade later, those choices paid off during the pandemic when semiconductor shortages disrupted the automotive industry. The lesson is simple: design resilience when times are calm, so that options exist when turbulence returns.

Netflix provides a digital parallel. The company has repeatedly reinvented its business model—from DVDs by mail to streaming, to producing original content, and now to tiered pricing and ad-supported services. Each transformation reflected a clear understanding of shifting customer behaviour and emerging competition. Like CMA, Netflix recognised that true resilience comes from anticipating change, acting with agility, and having the courage to replace what works today with what will create value tomorrow.

Resilience is not rigidity or resistance. It is not the denial of uncertainty. It is the capacity to absorb shocks, adapt quickly, and emerge stronger. This capacity is built through the operating choices we make every week and through the culture we nurture over years. It is not a slogan; it is a system.

In 2026, the leaders who prosper will be those who combine calm reflection with decisive experimentation.

Balancing the Four Drivers: Quality, Cost, Time, and Innovation

"Strategy is a pattern in a stream of decisions." – Henry Mintzberg

Every enterprise, large or small, faces the daily tug-of-war among four forces of success:

Quality, Cost, Time, and Innovation (Q-C-T-I). Mastering them is not about perfection but balance. Improving one dimension often strains another. The leader's art lies in aligning them so that they reinforce rather than undermine one another.

At **CMA (ANZ)**, *Quality comes first*. You cannot know your true costs until you decide what level of quality you intend to deliver.

Quality defines the promise; cost follows that promise. When quality is clear, efficiency becomes purposeful, speed becomes meaningful, and innovation becomes sustainable.

1. Quality – The Foundation of Trust.

Quality must move from inspection to culture. Unilever's "Quality Lives Here" initiative turned product excellence into everyone's responsibility, not just a department's. Similarly, CMA embeds quality as a shared value across every program and partnership. From curriculum design to faculty selection, quality is not checked at the end – it is designed in from the start. When quality becomes a habit, excellence becomes normal.

2. Cost – Efficiency without Myopia.

Cut waste, not vision. Airlines that invested in fuel efficiency technology a decade ago now enjoy structural advantage. Efficiency matters because cash is oxygen, yet cost-cutting without clarity can remove capability and create hidden risks. The superior path is structural cost improvement – simplification, modular design, shared platforms, and automation that lower costs while improving reliability. True efficiency enhances quality rather than eroding it.

3. Time – Speed as a Promise.

Apple's global ecosystem delivers products with near-surgical precision because its teams treat time as a customer commitment. Time wins trust. Delivering on time starts with quick, clear decisions and empowered teams. Governance should set guardrails, not roadblocks. When organisations treat time as a promise to customers and stakeholders, speed becomes a symbol of respect.

4. Innovation – The Oxygen of Relevance.

Innovation is not a single event but a disciplined rhythm of curiosity and improvement. Tesla treats innovation as a habit of questioning, while CMA does the same through continuous evolution of its programs, technology, and global delivery. During the COVID-19 pandemic, CMA rapidly transitioned to its **Global Zoom Program**, turning disruption into an opportunity to expand reach and strengthen engagement. Innovation, at its core, is about courage – the willingness to replace what works today with what will work tomorrow.

Balancing **Q, C, T, and I** requires trade-off clarity. Leaders must name the constraints they accept and the advantages they will protect. A clear operating doctrine helps:

- *We will never sacrifice trust or quality for short-term cost.*
- *We will simplify before we cut.*
- *We will favour speed to learning over speed to launch.*

Such guiding principles keep organisations aligned when pressure rises and ensure that quality remains the anchor of resilience.

Know Thyself: The First C – Know Your Cost

Know Thyself (Gnōthi seauton)

The ancient maxim "Know Thyself" remains the starting point for modern strategy. Centuries before globalisation, both the Greeks and the Buddha taught the same truth in different tongues: that wisdom begins with knowing oneself

In business terms, it means **Know Your Cost (KYC)** – and not merely in dollars. Costs of quality failures, delays, and lost innovation opportunities can quietly drain profit and morale.

Leaders must map their true cost drivers: labour, logistics, energy, complexity, and time. Only by understanding these can they decide what to eliminate, what to automate, and what to elevate. KYC turns numbers into narrative—it reveals why the organisation behaves as it does.

Most importantly every organisation needs to understand and identify what costs within the organisation are value adding and which are non-value adding. This will enable them to take the

next step of eliminating non-value adding costs which effectively means eliminating waste.

Know Your Cost is more than an accounting reconciliation. It is the disciplined discovery of how value and waste move through the system. Financial cost is only one layer. There is also the cost of poor quality, the cost of delay, the cost of complexity, and the cost of missed opportunities. Leaders who make these costs visible create energy for change without blame.

Once the cost drivers are visible, apply three levers. Eliminate steps that add no value, automate steps that repeat without judgment, and elevate steps that create unique value. Eliminate, automate, elevate. This simple triad turns analysis into action. It also clarifies trade-offs. If an activity does not add value and cannot be automated cost effectively, retire it and reassign the people to higher impact work.

Know Your Cost should also include a view of the cost of innovation. Many organisations under invest in small experiments because they cannot prove the full return in advance. The better lens is portfolio thinking. Invest in a portfolio of quick tests, accept that some will fail cheaply, and double down on the few that create signal. The cost of not learning is greater than the cost of small failures.

Know Your Customers and Competitors: The External Lens

"In the midst of chaos, there is also opportunity." – Sun Tzu

Once internal clarity is secured, leaders can turn outward with confidence to the two remaining C's: **Customers and Competitors**.

The second and third C's anchor external awareness. Know Your Customers and Know Your Competitors. These are not marketing slogans. They are operating disciplines that connect strategy with reality.

Know Your Customers.

The 2026 consumer values speed, transparency, sustainability, and purpose. Listening to their unspoken needs through data analytics and empathy mapping turns transactions into relationships. Customer expectations are no longer set by industry peers but by the best experience anywhere. That means a logistics company is compared with real-time consumer apps, a hospital with responsive retail, and an education provider with intuitive media platforms. Use data but pair it with empathy. Data reveals patterns; empathy reveals purpose. For example, when Airbnb noticed that guests abandoned bookings mid-way through, the data pointed to a conversion problem – but empathetic interviews uncovered why: people hesitated because they couldn't picture the experience or trust the host. The solution wasn't a new algorithm, but richer photography, personal host stories, and clearer communication – design choices that spoke to human reassurance, not just metrics. The same principle applies everywhere. Move beyond demographic segments to "job-to-be-done" insights.

Ask: What progress is the customer trying to make, and what frictions slow that progress? Then remove the friction. Loyalty follows usefulness far more reliably than advertising ever does.

Customers don't compare only within an industry anymore.

People expect the same level of convenience, personalisation, and speed from every organisation they deal with. For example:

- When someone uses their bank's app, they subconsciously compare it to Amazon's checkout – they expect it to be as fast and frictionless.
- When a student joins a university's online program, they compare its interface, engagement, and accessibility to Netflix – expecting on-demand, intuitive, enjoyable experiences.

Know Your Competitors.

Competition is no longer a fixed set of rivals. It is an ever-shifting arena of start-ups, platforms, and cross-industry entrants. Tesla challenged energy firms, not just automakers; Apple's watch disrupted healthcare data collection. Understanding how adjacent innovators redefine value is crucial to staying relevant.

The benchmark of excellence is now cross-industry.

Digital leaders like *Amazon, Netflix, or Apple* set the "experience standard," and customers expect that same quality from all sectors – finance, education, government, healthcare, and beyond.

Competitive arenas shift quickly. A competitor can be a direct rival, a platform that reconfigures distribution, or a new technology that makes a current value proposition irrelevant. Tesla competed with automakers on vehicles and with energy firms on storage. Apple's watch did not replace hospitals, but it changed the role of consumer data in preventive health. Build a living map of competitors and substitutes. Update it quarterly. Study not only what rivals sell, but how they win. Price, speed, brand, ecosystem, data, service. Then choose how you will be different in ways customers value.

From Solo Acts to Symphony: Uniting Cost, Customers, and Competitors

When the Three C's work together, decision making accelerates. Cost discipline funds innovation. Customer insight guides where to place bets. Competitor insight clarifies how to differentiate. The result is strategy as a living system rather than a yearly document.

Together, the Three C's-Cost, Customers, Competitors-form a living strategy system: internal discipline feeding external agility.

Creativepreneurship: The Power of Imaginative Discipline

"Innovation distinguishes between a leader and a follower." – Steve Jobs

True success, however, comes from a deeper insight – the rise of Creativepreneurship, where entrepreneurial imagination meets managerial rigour. The most successful organisations are those that combine left-brain structure with right-brain creativity, blending discipline with daring.

An entrepreneur identifies and satisfies existing customer needs. They excel at solving known problems, improving efficiency, and delivering value to established markets. A **creativepreneur**, by contrast, goes further – they create customer needs. They imagine possibilities that don't yet exist, crafting products, experiences, or movements that redefine expectations.

For example, when *Apple* introduced the *Vision Pro*, it wasn't responding to customer demand for spatial computing – there was none. Instead, it created a new category of human-technology interaction, blending design, engineering, and imagination to expand how people think about work, media, and communication. Where entrepreneurs follow demand, creativepreneurs generate it.

At CMA (ANZ), the same spirit defines innovation in professional education. During the COVID-19 disruption, CMA didn't merely replicate classroom learning online; it reimagined it through the Global Zoom Program, extending reach, deepening engagement, and reshaping how management education could be delivered globally.

The entrepreneur builds within the known; the creativepreneur expands the known. Entrepreneurs optimise; creativepreneurs originate. Together, they represent the balance between imagination and execution that defines modern leadership – the ability to see what others overlook and bring it to life with discipline and purpose.

Innovation as a Continuous Discipline

"Continuous improvement is better than delayed perfection." – Mark Twain

Innovation should not depend on serendipity. It requires structure.

Breakthroughs don't just happen by luck or inspiration; they emerge from systems that make experimentation routine and learning continuous. Sustainable innovation combines creativity with process – it's designed, not discovered.

- **Idea pipelines to capture insights from front-line employees.** The best ideas often come from those closest to the customer. For example, at **Toyota**, the *Kaizen* system empowers factory-floor workers to suggest improvements daily. Thousands of small ideas – from tool placement to process flow – accumulate into massive productivity and quality gains. Similarly, service organisations can create simple digital channels where employees share observations and propose innovations that leadership can evaluate systematically.

- **Cross-functional teams that convert ideas into pilots rapidly.** Innovation accelerates when marketing, technology, and operations collaborate early rather than working in silos. **Amazon's "two-pizza teams"** model embodies this: small, empowered, cross-functional groups test ideas quickly, launch pilots, and scale what works. CMA (ANZ) applies a similar mindset when bringing educators, IT specialists, and regional partners together to prototype new delivery formats before global rollout.

- **Feedback loops linking customers to design and delivery.** Continuous customer input keeps innovation grounded in relevance. **Adobe** transformed its business by engaging directly with creative users when shifting from boxed software to a subscription-based Creative Cloud. Listening to early adopters refined features and pricing models before the global launch. For CMA, regular participant feedback during the **Global Zoom Program** allowed rapid enhancements in scheduling, interactivity, and digital resource delivery – ensuring the experience matched learner expectations worldwide.

- **Metrics that reward learning as much as results.** Traditional performance systems punish failure; innovative ones reward experimentation. **Google's "OKR" framework** measures progress toward bold goals rather than only outcomes, encouraging teams to take calculated risks and learn fast. Similarly, organisations that celebrate well-run pilots – even those that don't succeed – build cultures of curiosity and continuous improvement.

When innovation becomes a disciplined habit rather than a chance occurrence, creativity scales. Structured innovation ensures that the next breakthrough isn't an accident – it's the result of intent, inclusion, and intelligent design.

Unilever's Sustainable Living Plan proved that profit and purpose can co-exist when innovation targets societal benefit. By embedding sustainability into product design, Unilever cut costs and built brand trust simultaneously.

The lesson: innovation is not a department-it is a culture of curiosity and courage.

Building Agility for a Connected World

"In the middle of difficulty lies opportunity." – Albert Einstein

Globalisation is evolving from scale to speed. Digital networks allow micro-enterprises in Bangkok or Brisbane to serve clients worldwide. To thrive in this interconnected chaos, businesses must adopt three agility anchors:

1. **Data Literacy** – Turn information into intuition. Data should inform, not intimidate.

2. **Collaboration** – Partnerships across industries unlock resilience through shared capability.

3. **Learning Velocity** – The speed at which an organisation learns is now its only durable advantage. When knowledge moves faster than change, turbulence becomes momentum.

A Call to Reflect and Act

"The unexamined life is not worth living." – Socrates

Volatility exposes weakness but also reveals strength. The path forward demands a dual focus: *internal mastery and external awareness*.

Start with self-knowledge-Know Your Cost. Then expand outward-Know Your Customers and Competitors. Finally, infuse creativity into discipline, making innovation a daily ritual.

The path to opportunity begins with honest reflection. What are our real cost drivers. Where does quality fail. Which decisions take too long. Where is innovation stalled by fear or by unclear priorities. Which customers are we serving deeply and which have drifted away. Which competitors are we underestimating because they do not look like us.

Now act. Write down a one-page operating doctrine that explains how you will balance Cost, Quality, Time, and Innovation. Complete a fresh SWOT that uses your cost map as the source for strengths and weaknesses, and your customer and competitor maps as the source for opportunities and threats. Run three quick experiments in the next thirty days that address your highest leverage constraints. Review them openly, learn, and repeat.

Success in 2026 will not belong to the biggest, the loudest, or the most certain. It will belong to organisations that know themselves, know their customers, know their competition, and then move with clarity, confidence, and control. The storm is real. So are the skills to navigate it. The future favours the brave who prepare.

Those who embrace this cycle of reflection and reinvention will not just survive 2026-they will shape it.

"Success belongs to those who know themselves, their customers, and their competition – and act with clarity, confidence, and control."
– Dr. Chris D'Souza | CMA ANZ

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REGIONAL OFFICE & BRANCH NEWS

Global

CMA Australia & New Zealand - G20 Summit 2025 Manila, Philippines



All of the ICMA(ANZ) Executive and the Regional Directors and Country Heads, at the G20 Summit in Manila, Philippines.

The second meeting of all ICMA(ANZ) Regional Directors from across the world met at a Conference in Manila, Philippines, on November 27 – 30, 2025 at the Microtel by Wyndham Mall of Asia Hotel. It was an action-packed program with strategic discussions, networking and many social events.

As there were Council Members, Directors and Country Heads from 20 Regions in attendance, the event was called the “CMA G20 SUMMIT”. Those attending were:

Australia: Prof Brendan O’Connell (President), Prof Michael Tse (Chairman), Mr. David Cartney (Vice-President), Prof Janek Ratnatunga (CEO) and Dr Chris D’Souza (Deputy CEO); Mr. Hans Ferdinands (Secretary); Ms. Roshani Perera (Membership Committee Chairman) and Mr. Chris Perera, Executive Officer; New Zealand: Mr. Richard Miranda; China (including Hong Kong and Macau): Professor Allen Wong; Indonesia: Jakarta Centre: Mr. Bambang Gunawan & Ms. Arum Indriasari (IPMI Business School); East Java, Central Java, Special Region (Yogyakarta): Dr. Ana Sopanah Supriyadi & Ms. Reny Kurniawati; Surabaya Centre: Dr. Saarce Elsy Hatane; Japan: Mr. Yoichiro Ogihara; Lebanon: Dr Fawaz Hamidi ; Nepal: Mr. Kumar Khatiwada; Philippines: Mr. Henry Ong; Sri Lanka: Mr Kapila Dodamgoda and United Arab Emirates & GCC: Mr. Shakeeb Ahmed

Day 1

The Regional Directors were welcomed by Dr Chris D’Souza, Deputy CEO, who was the livewire who organised the event. Prof Brendan O’Connell (President) then presented the AGM 2025 Report to showcase what had been achieved in the past year. Those joining the conference for the first time were then introduced. These were Council members Mr. David Cartney (Vice President) and Mr. Hans Ferdinands (Secretary); the Regional Director from Lebanon, Dr Fawaz Hamidi, and the Head of the Surabaya Centre, Dr. Saarce Hatane.



After morning tea, Prof Brendan O'Connell gave an 'Overview of the Ethical Impact of AI', followed by an 'Overview of Professional Bodies and Trends Globally' by Prof Micheal Tse. This was followed by a comprehensive 'SWOT Analysis and Overview of New Products & Services of ICMA(ANZ)' by Prof Janek Ratnatunga.

After lunch there was an open discussion of 'Standards of Entry and Assessments' led by Prof Janek Ratnatunga; followed by progress reports on the 'Internationalisation of the GMA Conversion Programme' by Mr. Kapila Dodamgoda, and the 'Certified Islamic Public Accountant (CIPA) program', by Dr Fawaz Hamidi.

After afternoon tea, the Regional Directors gave their individual reports on the unique strategies used in their regions to market CMA program and the obstacles faced. These were followed by a free discussion led by Mr. David Cartney, Mr. Hans Ferdinand & Ms. Roshani Perera on general issues.



In the picture are Kumar Khatiwada, Yoichiro Ogihara, Mamta Khatiwada, Isuri Dodamgoda, Yameera Selvaraj, Kapila Dodamgoda, Prof. Allen Wong and Richard Miranda



L:R: Council Members Hans Ferdinands (Secretary), Roshani Perera (Membership Committee) and David Cartney (Deputy President) lead a free discussion of issues faced by Regional Directors.



L:R: Prof Janek Ratnatunga, CEO of ICMA(ANZ) surrounded by Arum Indriasari, Yameera Selvaraj, Rere Kurniawati, Dr. Ana Sopanah, Dr. Saarce Hatane and Mamta Khatiwada.

Day 2

The networking and team building continued the next day with a visit to the Enchanted Kingdom theme park, where the young and young-at-heart showed their bravado at the various rides.

Council Members and Regional enjoying the Bus Ride back after the Networking session at the Enchanted Kingdom



Rere, Janek & Ana enjoying Networking at the Enchanted Kingdom



Mamta & Ana enjoying an impromptu dance at the Enchanted Kingdom

Thailand

Inaugural ICMA Global Social Purpose Innovation Hall of Fame induction in Thailand

The ICMA (ANZ) established the Global Accounting Hall of Fame awards in 2016 to recognise outstanding achievements in General Accounting and Management Accounting, with a category for Social Purpose Innovation introduced in 2022.



The ICMA Council confer the first Hall of Fame award in Thailand upon The Honourable M.L. Laksasubha Kridakon (Khun Laks), inducting her into the ICMA Global Social Purpose Innovation Hall of Fame in recognition of her lifetime of achievement and significant contribution to sustainable development goals in Thailand.

The award was presented by Her Excellency Dr Angela Macdonald PSM, the Australian Ambassador to Thailand during the Australian Alumni Awards Night on 21 November 2025 at the Hyatt Regency Bangkok Sukhumvit.

Australian-Thai Chamber of Commerce (AustCham Thailand) Seminar

Dr. Chris D'Souza, Deputy CEO of the Institute of Certified Management Accountants (Australia), presented an insightful session titled "Business in the Turbulence of Global Volatility: How to Navigate the Steep Challenges Entering 2026" at Bangkok Marriott Marquis, Bangkok. Hosted by the Australian-Thai Chamber of Commerce (AustCham Thailand).



Attendees included SME leaders and professionals, with distinguished guests such as Hon. M.L. Laksasubha Kridakon, President of the Australian Alumni Association (Thailand), Mr Frank Holzer, Executive Director of AustCham Thailand, and Dr Tharatee Mookdee, ICMA Regional Director for Thailand.

Dubai

32nd CMA Program in Dubai

A CMA program was conducted at Park Regis Hotel in Dubai on November 8-16, 2025. This is 32nd CMA intensive program organised by Shakeeb Ahamed and MV Jayafar of the SMART Education Centre. The program was again facilitated by Professor Janek Ratnatunga, the CEO and Mr. Kapila Dodamgoda, the ICMA(ANZ) Regional Director of Sri Lanka.



It was a lively 7-days of intensive learning on the strategic issues of management accounting. Once again, the participants were extremely senior professionals from leading companies in the Gulf region. University professors from leading universities also participated. The countries from which the 59 participants came from included Saudi Arabia; Qatar, and all regions of the U.A.E.



Lebanon

Headway Hosts 15th CMA Session in Lebanon

Headway Business Support Services (HBSS) successfully organized another seven-day CMA training session at the Golden Tulip Achrafieh in Beirut, in collaboration with ICMA Australia. The session held in November 2025 had 41 participants, including senior executives and accountants, reflecting the strong demand for CMA certification in the region.



Dr. Fawaz Hamidi conducting the Training in the 15th CMA Qualifying Program held in Beirut, Lebanon

Dr. Fawaz Hamidi, Headway CEO and ICMA Regional Director, highlighted the rapid growth of ICMA in the region, noting that this marks the 15th session held in Lebanon. The program attracted candidates from across the country, as well as members of the Lebanese diaspora currently visiting Lebanon.



The participants of the 15th CMA Qualifying Program held in Beirut, Lebanon with their trainer. Dr. Fawaz Hamidi

Philippines

64th CMA Program in Manila

The 64th CMA Program was held at Crowne Plaza Manila, Galleria in the period September-November 2025

CMA Philippines is the largest management accounting organization in the Philippines with over 2,000 members and affiliates to date. It is the premier body of accounting professionals that promotes the recognized standard of excellence in management accounting practice.

These professionals integrate accounting expertise with advanced management skills to achieve business success.

CMA Philippines is also an examining body in cooperation with Institute of Certified Management Accountants (ICMA) of Australia, wherein candidates have to attend the graduate level education program, pass the CMA examinations, and comply with the experience requirements in order to earn the Certified Management Accountant (CMA®) designation.



The participants of the 64th CMA Qualifying Program held at with their trainer. Dr. Arnel Onesimo O. Uy



CMA Philippines also held its 20th anniversary celebration this year. In the picture are Dr Joselito Diga, one of the trainers of the CMA programme; Dr Chris D'Souza, Deputy CEO of ICMA (ANZ); and Mr Henry Ong, the Regional Director of the ICMA (ANZ) Philippines.

CMA EVENTS CALENDAR

- **January 10-18, 2026:**
Inaugural CMA Program Workshop organised in by Expertedge Education Consultants LLP (EEC), Kochi, Kerala, India.
- **February 7-13, 2026:**
CMA Program Workshop Batch 18, Jakarta, organised by RAD Indonesia.
- **Feb 28- March 2, March 7-8 & 14-15, 2026:**
Twelfth CMA Global Zoom Program in Strategic Cost Management & Strategic Business Analysis, Syme Business School, Australia. (Zoom).
- **March 21-29, 2026:**
CMA Program Workshop organised by Academy of Finance, Sri Lanka.
- **April 11-19, 2026:**
CMA Program Workshop organised by SMART Education Group, Dubai.
- **April 25-27, 2026:**
Certificate of Proficiency in Strategic Cost Management, and April-30-May 3, 2026: Certificate of Proficiency in Strategic Business Analysis SMU Academy, Singapore (14th Intake). (Zoom).
- **April 26-May 4, 2026:**
CMA Program Workshop organised by SMART Education Group, Dubai.
- **August 1-7, 2026:**
CMA Program Workshop, Jakarta, organised by RAD Indonesia
- **August 10, 2026:**
International Management Accounting Conference (IMAC), Indonesia.
- **August 29-31, 2026, Sept 5-7 & 12-13, 2026:**
Thirteenth CMA Global Zoom Program in Strategic Cost Management & Strategic Business Analysis, Syme Business School, Australia. (Zoom).
- **September 19-27, 2026:**
CMA Program Workshop organised by Academy of Finance, Sri Lanka.
- **Nov 7-15, 2026:**
CMA Program Workshop organised by SMART Education Group, Dubai.

PRIVATE PROVIDERS

Wharton Institute of Technology and Science (WITS), Australia

Syme Business School, Australia

Academy of Finance, Sri Lanka

IPMI (Indonesian Institute for Management Development), Indonesia

Singapore Management University Academy (SMU Academy)

Business Sense, Inc. , Philippines

HBS for Certification and Training, Lebanon

SMART Education Group, UAE

Institute of Professional and Executive Management, Hong Kong

AFA Research and Education, Vietnam

Segal Training Institute, Iran

Business Number Consulting, Indonesia

RAD, Indonesia

STRACC Learning LLP, India

Academy of Management Accountancy, Nepal

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