

**Your new life strategy: Have more fun!**

Vol. 39 / No. 2 • SUMMER 2012

# outlook

A PUBLICATION OF THE CERTIFIED GENERAL ACCOUNTANTS ASSOCIATION OF BRITISH COLUMBIA

→ CGA-BC's first  
Executive Director  
explains why just a quarter-inch  
can make such a difference

→ Special Focus

## Succession Planning

→ Anthony Ariganello, FCGA, to  
chair provincial audit council



Alexandra Korneshuk, CGA student  
See page 44



We see more than numbers.

## Professionals Working With Professionals

BFL is Canada's largest privately owned commercial insurance broker, providing professional insurance and risk management services to CGA's in all industries across Canada.

### BFL Vancouver Office Professionals:

Bradley Potter, ACII, CIP, Managing VP  
John Wright, BComm, CMA, CRM, CAIB, EVP Western Canada

#### Administration:

Josie Carlstrom, VP Administration & HR  
Freda Xue, BSc, MHM, CGA, Controller

#### Commercial:

Glen DeMara, CAIB, VP Business Development  
Grant Alsop, B.A., CIP  
Cathy Daniels, CIP, Commercial Claims Manager  
Shaun Freeman, CAIB  
Rex Hannibal, ACII  
Connie Hanson, FCIP, CAIB, CRM  
Alex Harrison  
Trudy Lindsay, CAIB, FCIP, CRM  
Brenda Mendieta, FCIP, CRM  
Robin Messenger, AIIC  
Randy Nobbs, BBA, CAIB, CIP  
Alexandra Radziwill, B.A., CAIB, CIP  
Colin Roberts, AIIC  
Linda Simmons, CAIB  
Mark Skeans, BComm., B.A., CIP, CRM  
Anne Taylor, CIP, CRM

#### Construction:

John Donovan, VP National Practice Leader Construction  
Danny Patten, B.A., VP National Practice Leader Surety  
Fred Moroz, B. Econ.  
Jeff McLellan

#### Programs & Personal Lines:

Arlene DeLair, CAIB Manager Personal Lines & Fleet Services  
Lori Sutherland, CAIB

#### Real Estate:

Christina Garson, CIP, CAIB, VP Real Estate Division  
Gareth McDonnell, MBA, ACII, CRM, CIP, VP Operations Real Estate  
Paul Duchaine, CIP, Real Estate Claims Manager  
Paul Murcutt, CAIB  
Steve Storrey  
Scott Wallace, CAIB, CIP, CRM

#### BFL Kelowna Office Professionals:

Shaun Thompson  
Leanne Stier, CAIB, CRM

*A proud sponsor of the  
CGA-BC Conference.*



Freda Xue, CGA, Glen DeMara, Grant Alsop





Vol. 39 / No. 2 • SUMMER 2012

FEATURES

18 **SOLVING THE SUCCESSION PROBLEM**

There's no time like the present to create a succession plan for your firm

# contents

26 **CGA heads up new Audit Council**

CGAs are two of five members of a Council overseeing the Auditor General for Local Government

31 **Accounting for value in green buildings**

Does investing in green buildings pay off?

34 **CGA-BC's first executive director**

Gerry McKinnon guided CGA-BC from humble beginnings to the powerhouse it is today

VIEWS

07 **taxmatters**

New legislation imposes penalties on tax preparers who do not e-file

09 **techview**

Alan Salmon offers advice on choosing the best platform and technologies for your business

12 **periscope**

Incorporating fun into your life is hardly frivolous

14 **ethics in focus**

Evaluating an ethical dilemma

38 **publicpractice Edifier**

Ron Baker suggests that choosing your customers wisely is a surefire way to maximize profits

SPOTLIGHT

24 **Quarter Century Club**

Close to 200 CGAs were welcomed into the Quarter Century Club

37 **keepingTabs**

CGAs in the news and members on the move

40 **currentAssets**

A roundup of all the latest gadgets, tech gear and apps

42 **snapShots**

Photos from CGA-BC events

44 **partingShot**

A Q&A with Alexandra Korneshuk, CGA student, Controller, Ferrari Maserati of Vancouver

46 **morethanNumbers**

Letting the data tell the story

28 **fact vs. fiction**

Separating fact from fiction about the rules governing retired status



Cover photo by Ron Sangha, shot on location at Ferrari Maserati of Vancouver.



You can follow CGA-BC on Facebook and on Twitter at [www.twitter.com/cgabc](http://www.twitter.com/cgabc)

→ Business is always about the future. It's about how much a company or firm is going to grow. How it plans to hire more staff or expand into new markets or open new branches. But one thing a lot of firms don't like to address is a succession plan. In her article on succession planning, Gundi Jeffrey identifies some of the risks faced by firms and other organizations if they don't have a plan in place, and she interviews CGAs who have devised solid strategies for the day that they retire or leave the company.

In TaxMatters, veteran tax lawyer Ed Kroft runs through Bill C-38, which includes new rules

that's right for your company or organization.

Some of you may remember a letter to the editor of *Outlook* a year ago, about standing a quarter-inch taller. That was the view of CGA-BC's first Executive Director, Gerry McKinnon, CGA (Hon.), who we caught up with in Parksville, at the spry age of 92. Although he retired more than 30 years ago, he's still every bit a fan and promoter of CGAs.

Then we take a turn into the fast lane with our Parting Shot feature of Alexandra Korneshuk, a CGA student who has her foot firmly on the accelerator as Controller of Ferrari Maserati of



### executive committee

*Chair:* Cindy Choi, FCGA

*Past-Chair/Treasurer:* Bruce Hurst, FCGA

*First Vice-Chair:* Candace Nancke, CGA

*Second Vice-Chair:* David Sale, CGA

*Chief Executive Officer and Secretary:* Gordon Ruth, FCGA

### executive staff

*Chief Executive Officer:* Gordon Ruth, FCGA

*Director, Administration, HR & IT:* Dan Cheetham, CGA

*Director of Marketing & Communications:*

Edward Downing, MA (Journalism)

*Director of Education & Student Services:*

W. D. (Bill) Johnson, FCIS, PAdm, FCGA

*Director, Executive and Corporate Affairs:* Juliana Laing, BA

*Director of Public Practice Services & Public Practice Advisor:*

Tina Peters, BA, CGA

*Director of Member Services:* Pamela Skinner, BSc, CFP, CGA

### outlook staff

*Managing Editor:* Edward Downing (604) 730-6208

*Communications Manager:* Patrick Schryburt (604) 730-6238

*Communications Officer:* David Ferman (604) 730-6206

*Production Co-ordinator:* Trevor Hargreaves (604) 730-6226

*Advertising Co-ordinator:* Pardeep Clair (604) 730-6228

*Graphic Design:*

Core Associates Communication Design Inc.

*Regular Contributors:*

Ed Kroft, QC, LLB, LLM, CGA (Hon.); Dr. Michael McDonald,

CGA (Hon.); Alan Salmon

### advertising

For advertising rates, contact Pardeep Clair at

(604) 730-6228 or visit our website at [www.cga-bc.org](http://www.cga-bc.org).

*Outlook* is the premier way to contact B.C.'s CGAs.

Advertising in *Outlook* magazine does not indicate an

endorsement of any business, organization, service or

product by CGA-BC.

*Outlook* is published four times a year by the Certified General Accountants Association of British Columbia and is sent to nearly 15,000 CGA members and CGA students. Opinions expressed are not necessarily endorsed by CGA-BC. Copyright CGA-BC 2012.

### articles, enquiries and letters

Articles, enquiries and letters should be sent to *Outlook*:

CGA-BC, 300-1867 West Broadway, Vancouver, BC, V6J 5L4

(604) 732-1211 or (800) 565-1211

ISSN 1488-2337 *Outlook* - Certified General Accountants

Association of British Columbia

### CGA on the web

Members and students, you can find all of your most important CGA-BC services online at [www.cga-bc.org](http://www.cga-bc.org).



Agreement no. 40069088

Return undeliverable Canadian addresses to:

CGA-BC, 300-1867 West Broadway, Vancouver, BC, V6J 5L4

Printed in Canada

CGAs across B.C. are leading their organizations and making important decisions about the future

## Outlook It's about the future

governing accountants who do casual tax preparation and the penalties that may soon apply if the tax preparer doesn't e-file. Elsewhere, Alan Salmon writes that while all eyes are focused on the big changes in technology, there's a larger but more subtle change taking place in the operating systems used by these big tech items. Be sure to read Alan's column to make sure that you are ready for these changes and are selecting the system

Vancouver. We're also profiling two appointments to the Provincial Audit Council, which will oversee the new Auditor General for Local Government. You'll recognize CGA-Canada CEO Tony Ariganello, FCGA, who is the new chair, and Lisa Payne, CGA, who sits on the Council.

Whichever way you look at it, CGAs are in the driver's seat in a lot of key organizations across B.C. and making important decisions for the future. □

Edward Downing is CGA-BC's Director of Communications  
[edowning@cga-bc.org](mailto:edowning@cga-bc.org)

# letters



## Kudos for article

I was away this winter and am only now catching up on my reading, including my winter issue of *Outlook*. I have just finished reading 'Money Talks' by Patrick Schryburt. I want to commend the writer and contributors on a very good article. It was very informative and thought-provoking and just what I needed to read as I look at my investment portfolio for 2012. Please pass along my thanks. Cheers!

Maria Pattison, CGA  
Penticton, B.C.

## Fifty years of thanks

Many thanks for the beautiful watch you sent me in recognition of 50 years as a member of the Association. Looking ahead 50 years is like an eternity. Looking back is almost like yesterday. Obtaining the CGA designation was the best accomplishment that I made in my life. I will wear the watch with pride.

Ken Frost, CGA  
Abbotsford, B.C.

Have an opinion? Email your "letter" to [edowning@cga-bc.org](mailto:edowning@cga-bc.org)

## Blair Mackay Mynett Valuations Inc.

is the leading independent business valuation and litigation support practice in British Columbia. Our practice focus is on business valuations, mergers and acquisitions, economic loss claims, forensic accounting and other litigation accounting matters. We can be part of your team, providing you with the experience your clients require.

**Blair  
Mackay  
Mynett**  
VALUATIONS INC

Suite 1100  
1177 West Hastings Street  
Vancouver, BC, V6E 4T5  
Telephone: 604.687.4544  
Facsimile: 604.687.4577  
[www.bmmvaluations.com](http://www.bmmvaluations.com)



### Left to Right:

Vern Blair, Cheryl Shearer, Robert D. Mackay,  
Kiu Ghanavizchian, Chad Rutquist,  
Gary M. W. Mynett, Chris Halsey-Brandt,  
Andy Shaw, Jeff P. Matthews, Farida Sukhia

# ENGAGE, INQUIRE, LISTEN, LEAD



We see more than numbers.

Bring your Leadership Experience to the CGA-BC Board of Governors

## CALL FOR NOMINATIONS BOARD OF GOVERNORS

**ARE YOU, OR ANOTHER MEMBER YOU KNOW, INTERESTED AND QUALIFIED TO SERVE ON THE ASSOCIATION'S BOARD OF GOVERNORS?** Leading in times of change, challenge and strategic opportunity requires analytical insight, experience, inquiry and vision. The Board is seeking engaged thought leaders and strategists who can bring those attributes to the task of governing the Association into the future.

### WHAT YOU BRING AS A CANDIDATE:

- Proven leadership
- Strategic acumen
- Integrity, accountability and a passion for excellence
- Pride in membership and a commitment to protecting the public interest

### WHAT'S IN IT FOR YOU:

- A role in advancing the designation and serving the membership
- First-hand exposure to the issues and challenges facing CGA-BC both provincially and nationally
- Dialogue and idea exchange with a diverse group of CGA leaders and administrators

---

There are five vacancies on the CGA-BC Board of Governors for 2013. Two are in the Lower Mainland Region (District 1). One is in the Southern Vancouver Island Region (District 2), one in the Upper Vancouver Island Region (District 3), and one in the Northern Central Region (District 6). All vacancies are for terms of three years each.

A candidate **MUST** reside in the electoral district for which he or she is nominated.

---

### NOMINATION FORMS:

Nomination forms are available to members in the following ways:

1. On the website at [www.cga-bc.org](http://www.cga-bc.org). Click on the Nomination Package icon on the home page.



Nomination Form

2. CGA-BC will email a link to the nomination form to all members whose e-mail addresses are registered with the Association.

### NOMINATION DEADLINE:

In accordance with the Bylaws, nomination forms must be submitted to the Secretary no later than:

**4:30 p.m. on Wednesday, August 1, 2012.**





The 2012 federal budget contained many anti-avoidance rules and other significant provisions. The legislation implementing these proposals will be introduced in two stages. Some of the rules were released in late April and now sit before Parliament in Bill C-38. Other rules requiring further consultation will likely be released during the summer or the fall.

Buried within Bill C-38 is a rule that could affect many accountants who do

the temporary Mineral Exploration Tax Credit for flow-through share investors; (d) allows corporations to make split and late eligible dividend designations; (e) makes the salary of the Governor General taxable and adjusts that salary; (f) allows a designated partner of a partnership to provide a waiver on behalf of all partners to extend the time limit for issuing a determination in respect of the partnership;

If you are a “tax-preparer” and you do not use e-filing then you can be subject to penalties.

of National Revenue with the authority to suspend the privileges, with respect to issuing tax receipts, of a registered charity or a registered Canadian amateur athletic association if the charity or association fails to report information that is required to be filed annually in an information return or devotes resources to political activities in excess of the limits set out in the *Income Tax Act*.

Part 1 also implements other selected income tax measures and related measures. Most notably, it

(a) amends the *Income Tax Act* consequential on the implementation of the *Marketing Freedom for Grain Farmers Act*, including the extension of the tax deferral allowed to farmers in a designated area who produce listed grains and receive deferred cash purchase tickets to all Canadian farmers who produce listed grains and receive deferred cash purchase tickets; (b) provides authority for the Canada Revenue Agency to issue via online notice or regular mail demands to file a return; and (c) introduces a requirement for commercial tax preparers to file income tax returns electronically.”

It is this last point that catches the eye. Rather than providing the text of the legislation, I will show you the explanatory notes released in connection with the legislation, which state the following:

“ELECTRONIC FILING  
Section 150.1 of the Act provides for the use of electronic

Bill C-38 includes new rules that could affect accountants who do casual tax preparation for a fee

## Casual tax preparers beware: Mandatory e-filing is here

tax preparation for friends, relatives and others and who earn a fee, however modest and in whatever form, for doing so.

A summary of the legislation, given first reading on April 26, 2012, states the following:

“Part 1 of this enactment implements certain income tax measures and related measures proposed in the March 29, 2012 budget. Most notably, it:

- (a) expands the list of eligible expenses under the Medical Expense Tax Credit to include blood coagulation monitors and their disposable peripherals;
- (b) introduces a temporary measure to allow certain family members to open a Registered Disability Savings Plan for an adult individual who might not be able to enter into a contract;
- (c) extends, for one year,

- (g) amends the penalty applicable to promoters of charitable donation tax shelters who file false registration information or who fail to register a tax shelter prior to selling interests in the tax shelter;
- (h) introduces a new penalty applicable to tax shelter promoters who fail to respond to a demand to file an information return or who file an information return that contains false or misleading sales information;
- (i) limits the period for which a tax shelter identification number is valid to one calendar year;
- (j) modifies the rules for registering certain foreign charitable organizations as qualified donees;
- (k) amends the rules for determining the extent to which a charity has engaged in political activities; and
- (l) provides the Minister

---

Ed Kroft, QC, LLB, LLM, CGA (Hon.), is a partner with Blake, Cassels & Graydon LLP. He is a member of the firm's Tax Group and leader of its Tax Controversy & Litigation Group.

media for filing tax returns. Section 150.1 is amended to require tax preparers to file, using electronic media, returns that they have prepared. These amendments apply in respect of returns of income for the 2012 and subsequent taxation years that are filed after 2012.

#### DEFINITION “TAX PREPARER”

New subsection 150.1(2.2) of the Act defines a “tax preparer” for the purposes of this electronic filing requirement and the associated penalty for non-compliance under new subsection 162(7.3). A person or partnership is a tax preparer for a calendar year if,

in the year, they accept consideration to prepare more than 10 returns of income of corporations or more than 10 returns of income for individuals (other than trusts). An employee who prepares returns of income in the course of performing their employment duties is not a tax preparer.

#### ELECTRONIC FILING – TAX PREPARER

New subsection 150.1(2.3) of the Act sets out a requirement for tax preparers that they file, using electronic media, any return of income that they prepare for consideration. This requirement is subject to the exception that a tax preparer may file in a calendar year by

### The key to the new rules is the definition of “tax preparer.”

other means up to 10 corporate returns and 10 individual returns. The requirement is also subject to the following exceptions set out in new subsection 150.1(2.4):

- The Canada Revenue Agency may deny a tax preparer the authority to file electronically for the year because the tax preparer does not meet the criteria for filing referred to in subsection 150.1(2). This exception would apply if a tax preparer’s application for the authority to file electronically has been denied or if the authority has been revoked for the year.
- Returns of income of corporations prescribed under paragraphs 205.1(2)(a) to (c) of the Income Tax Regulations will not be required to be filed electronically by a tax preparer. These corporations are not currently subject to the mandatory electronic filing requirement for corporations under subsection 150.1(2.1).
- The Canada Revenue Agency may specify that it does not accept certain types of returns in electronic format.”

So what do you need to know? If you are a “tax preparer” and you do not use e-filing then you can be subject to penalties. These new rules apply for 2012 returns of income so they may be applicable now for trust and estate returns or corporate returns. Individual returns for 2012 won’t get filed until 2013 so the rule will be in full swing then. The key to the new rules is the definition of “tax preparer.” So read it carefully and consider whether it is convenient or sensible to accept that 11th return for a fee. □

## UBC DAP The gateway to accounting

### Accelerate your future with the Diploma in Accounting Program (DAP) at the University of British Columbia.

If you are a university graduate seeking a professional accounting designation, you can fast-track your education through the UBC Diploma in Accounting Program (DAP). UBC DAP’s curriculum satisfies most of the CGA Program requirements: Levels 1 - 4.

#### Application Deadlines

- May start: Feb 1 (International applicants)  
Mar 1 (Domestic applicants)
- Sep start: Jun 1 (International applicants)  
Jul 1 (Domestic applicants)

#### Courses now available online

Find out how DAP can accelerate your future: [www.sauder.ubc.ca/dap](http://www.sauder.ubc.ca/dap)







While 2012 promises to be a big year from a computer hardware perspective with the release of new Ultrabooks, tablets and phones, the real news for 2012 will be in software. The basic building blocks of software, the operating systems, have been quietly evolving over the past few years. They are now converging into what are called platforms, and the results of these changes will positively affect our working

plify the way we work. Applications have been swept along this sea change...or perhaps it should be called a riptide.

**THE BIG SHIFTS**

The facts are simple:

1. hardware is changing,
2. the operating systems that support hardware are changing into platforms,
3. applications are changing to support mobility, web access and ease of use, and
4. the backbone and infra-

**The big news in technology is the seismic shift in operating system convergence to a single platform.**

Let's consider some background issues. First, we believe that brand name computers will generally have a lower cost of ownership over the life of owning the product than white box clones. Although these clones may be cheaper to purchase initially, operational and compatibility issues can quickly eat up any potential savings.

Second, there is notable progress in the size and speed of end-user computer hardware and phablets (i.e. phones/tablets), leading to the bring your own device (BYOD) revolution.

Third, we believe that the system software that runs these devices is converging and your choice of platform determines many of your options. Microsoft Windows has been the standard system for most accountants and accounting firms over the last two decades. But we now see three main platforms evolving: Windows 8/Microsoft, iOS/Apple and Android/Google.

Fourth, access to software through hosting or SaaS is leading some firms to a simpler configuration of in-house computers, an approach referred to as the public cloud. The support approach used for in-house systems, often called managed services, allows a trusted and knowledgeable technician to maintain your system and update your accounting and tax applications or your operating system from anywhere.

These background issues underscore the fact that computer hardware platforms matter less today than they did five years ago. You should pick an end-user computer hardware strategy that fits your needs.

Radical changes ahead require the right strategy

**Technology for accountants – Where is it going?**

style and ability this year and beyond. Some operating system changes were motivated by advances in remote connectivity, portability and the cloud, and some were motivated by a desire to sim-

structure that supports all of our computing is changing, including virtualization, backup, private and public clouds, Software as a Service (SaaS) and hosting.



↑ Tablet sales have taken off, with many professionals willing to sacrifice speed and performance for the convenience of portability.

Let's look at the end-user computing hardware available today:

**Desktop:**

*Speed:* Fastest  
*Size:* Largest  
*Portability:* None  
*Cost:* \$300-\$1,100

**Notebook:**

*Speed:* Can be close to desktop speed  
*Size:* Heaviest and largest portable  
*Portability:* Heaviest  
*Cost:* \$600-\$3,500

**Ultrabook:**

*Speed:* Light, yet close to notebook  
*Size:* Close to tablet  
*Portability:* Close to tablet  
*Cost:* \$700-\$1,100

**Netbook:**

*Speed:* Slow  
*Size:* Heavier than Ultrabook  
*Portability:* Between notebook and Ultrabook  
*Cost:* \$300-\$600

**Tablet:**

*Speed:* Slowest  
*Size:* Smallest  
*Portability:* Lightest  
*Cost:* \$200-\$1,000

These computing tools can all be used to run in the cloud. The netbook and tablet/smartphone do the worst job of running applications at high speed, but they are very portable. The backbone is getting stronger and the applications are getting better to make these devices more usable. However, they are still best for consuming content, reading results, answering a few emails or

taking notes – and not very good for heads-down data entry.

**BUT THE BIG NEWS?**

The big news in technology is the seismic shift in operating system convergence to a single platform. It is pretty clear that technology platforms and operating systems are converging – just look at Windows 8, iOS/Mountain Lion or Android Ice Cream Sandwich on tablets and computers. These three platforms are designed so that the same operating system, or one that looks and operates in a similar fashion, runs on your phone, tablet and computer. When you buy into a platform from a vendor, the vendor largely controls the way applications integrate and work together.

As you can guess, this is a fight between Microsoft, Apple and Google. Some of the fight is controlled by intellectual property, patents and lawsuits, some is controlled by innovation and ease of use and some is controlled by application availability. A future that allows applications to seamlessly run between a phone, tablet and computer could be very attractive as long as the application behaves appropriately on each device. Even more attractive would be a future that allowed applications to run on any platform and seamlessly work together.

Platform limits choice while enabling ease of use. If we choose a particular vendor, we get the most benefits and the most restrictions by adhering to the vendor's rules. Think of iCloud and iTunes as enabling you to shop easily, yet restricting your choice to

what is in the Apple Store. Microsoft and Google are trying to mimic this model. Is a single supplier in your firm's best interest? Some say yes, while others say best of breed supports their strategy most effectively.

Some of our greatest frustrations come from hardware failures, inconsistent results or confusing design. Platform will minimize the differences between hardware run within the family. Each device will work in a similar fashion. Most of us couldn't care less what the hardware or software is or whose brand is on it as long as it runs reliably 100 per cent of the time and helps us get our job done. Platform will help us build our ideal future. Consider your platform choice carefully.

**LOOKING AHEAD TO THE WORLD OF TABLETS/SMARTPHONES**

Any technology plan needs to include mobile devices. A first step is defining the purpose of a mobile device. When cell phones first arrived, many resisted the idea of carrying a phone all the time, and cost, size, background noise and sound quality were all issues. Today, we consider the cell phone a vital and convenient personal and business tool.

Carrying only one mobile device is a preferred option, but the limitations of screen size, speed and convenient keyboard entry make it hard to achieve this goal. Products like the Motorola Atrix are trying to overcome these issues by providing a docking station that is both a larger screen and a keyboard, while having dual processors in the phone itself. Others support larger screen sizes.

Steve Jobs, for example, said a seven-inch screen would be "too small to express the software" and that 10 inches was the minimum for a tablet screen. Maybe it is age and failing eyesight, but the small screen of a smartphone can be too restrictive to be productive. Yes, you can zoom the image in and out, but this takes time and is not ideal. However, access to information may still be better than no access at all.

**CHOICES, OPTIONS AND OPINIONS**

There are two mainstream efforts for mobile devices: Apple with its iPhone, iPad and iOS, and the open source market supported by the Google Android operating system (often simply called Droid, and supported by hardware players like Motorola, Samsung and HTC). Other mobile strategies have been advanced by Microsoft (with Windows Mobile), BlackBerry (with its recent release of BlackBerry OS 10), and Hewlett Packard (with the webOS-based devices using Palm technology HP

---

Alan Salmon is a leading authority on accounting technology. He is the CEO of K2 Enterprises Canada, a North American consulting firm providing technology training to accountants. In addition to his work with consultants, accountants and software companies in both Canada and the U.S., he is the chairperson of the Accounting Technology seminar series. He can be reached by email at [alan@k2e.ca](mailto:alan@k2e.ca) or by visiting [www.k2e.ca](http://www.k2e.ca).

acquired in 2010). Each of the five strategies could be successful in its own right if the others did not exist.

You can use any of these mobile strategies for email, web access, document access and note taking, as well as efficiently solving business problems. Running a few apps and integrating to well-known systems like Microsoft Exchange or Gmail for email can be done, sometimes elegantly, on all platforms. If you choose the Apple platform, you will have more flexibility because of the number of available apps, yet you will have more lock-in because of iTunes, the App Store and Apple's current restriction of the product.

Apps are what really drive these devices, and most apps have to be written specifically for the chosen hardware and operating platform. This means that Windows applications do not run on most of the options above without the addition of more technology. Vendors have responded to the demand for remote Windows applications on the iPad by updating the popular Citrix and VMware environments

— — — — —

**Randy Johnston is a shareholder in K2 Enterprises and has been a top-rated speaker in the technology industry for over 30 years. He was inducted into the Accounting Hall of Fame in 2011. He was selected as a Top 25 Thought Leader in Accounting in 2011 and 2012 and has been selected eight times by *Accounting Today* as one of the Top 100 Most Influential People in Accounting. He can be reached by email at [randy@k2e.com](mailto:randy@k2e.com).**

with the Citrix Receiver for iPad and VMware TeamViewer. These software products connect the iPad back to servers running Windows applications, and permit all Windows applications to run on the iPad. Alternatively, an app to access a PC or Mac desktop called LogMeIn Ignition allows a tablet computer to run Windows applications hosted on a single computer at home or in the office. All of these options work today, albeit slowly, and possibly unacceptably for your purposes. However, slow Windows application access may be better than no Windows application access at all.

#### **THERE IS AN APP FOR THAT!**

Apps enable key business functions like note taking, email or web browsing and they can be downloaded to your device through the app marketplace for your platform. For example, the Apple App Store currently has over 600,000 apps for the iPhone or iPad. Google Play has just over 500,000, Windows Phone MarketPlace has 80,000 and the BlackBerry App World just over 100,000. If an app is good, it will eventually be available on all five platforms.

Apps are available for most business functions today. Some are crude and some are elegant. All represent a new way of doing business and most are single point solutions to a particular problem. Top favourite apps include Dropbox, PDF Expert, Air Display, Pogoplug, Dragon, Docs to Go, Penultimate, OpenTable, GateGuru and Flipboard, the reading product that consolidates feeds into a single personal digital reader. Apps for magazines and news include The Economist, WSJ, USA Today, The Daily, NPR, Time Mobile, FT

## **Selecting the right technology, the right smartphone and the right tablet is the key to enhanced business productivity, both today and moving forward.**

Mobile (Financial Times) and ABC News, with its innovative interface and approach. Most apps cost \$10 or less and some of the very best are free.

Document review and access while out of the office is a key function required by most professionals. No one app does everything needed to make all documents available with easy editing. However, with a combination of free and paid apps, you can enable convenient document sharing, review and markup. Specifically choose Dropbox, Box, SugarSync or Pogoplug, PDF Expert, Docs to Go and Penultimate to handle almost any document access situation you can imagine.

Our advice? Choose a platform that satisfies both your business and personal needs. If you like simplicity, you will enjoy the iPhone and new iPad, which have brilliant displays and more processing power than predecessor models. If you like the ability to customize a device for the way you work, then the Android family devices from Samsung, HTC, Motorola and others might be the solution for you, with the leading Android tablets including the Samsung Galaxy Tab and the Motorola Xoom. Android-based hardware is frequently 25 per cent less expensive than comparable Apple products. During 2012, we expect the Android cell phone market share to exceed iPhone market share, although iPad tablets will dominate that market for the foreseeable future.

Selecting the right technology, the right smartphone and the right tablet is the key to enhanced business productivity, both today and moving forward. Those decisions should be part of your technology plan. □



Marti MacGibbon

## periscope

**P**hil, a manager at a tech firm, prides himself on his commitment to his career. He counts rigorous self-discipline as one of his strengths and expects the same of his subordinates, privately frowning on such “nonsense” in the workplace as birthday cakes and office parties. Phil goes on vacation once a year, only because it’s mandatory. He always selects glamorous destinations because he works so hard and figures he deserves a rich reward.

more quickly and give you inspiration, motivation and a sense of well-being along the way. If you’re having fun, you’re increasing your levels of “feel good” neurotransmitters in your brain such as dopamine and serotonin. When this happens, you empower yourself to feel better in general; you’ll find it’s much easier to be creative, energetic and empathetic when you feel good.

Remember, fun is not something you look for outside yourself. It’s some-

**Fun and a sense of humour will propel you toward your goal more quickly and give you inspiration, motivation and a sense of well-being along the way.**

Take a sip from the fountain of youth: having not yet been programmed to make a distinction between work and play, children are constantly exploring, discovering and enjoying the wonder of life. You can do the same, no matter what your chronological age may be. It’s all in your perception.

### **BREAK OUT OF YOUR ROUTINE AND JUMP-START YOUR SENSE OF FUN**

Shake things up. Try learning a new language, sport or game. Take an improv class to increase your spontaneity. Go to a movie you’d normally avoid seeing. Try a totally different route to or from work. At work, take mini-breaks in the routine: at intervals throughout your day, jump up from your desk, stretch and move around, even at the risk of feeling a little bit goofy. Visit an amusement park and ride the rollercoaster, Ferris wheel or carousel. At home, rearrange your furniture or try cooking a new and exotic recipe. Take a dance class. You’ll find your fun quotient multiplies exponentially.

### **BUILD YOUR FUN NETWORK**

Find people you can have fun with, people you can be yourself with, people who can let go and try new activities, methods and techniques. When you find people who appreciate amusement, enjoyment and laughter, stay connected with them and look for more people to add to your “fun network.” Solitude and isolation are sure ways to suppress and stifle your sense of fun, so make sure you broaden your scope of experience socially, and in real

Tips on how to enhance all your relationships with a new attitude

## Remember to **have fun!**

Phil travels with his camera, meticulously recording each brilliant sunset, gorgeous vista and tourist attraction so that he’ll have an accurate log of all his experiences.

When his vacation ends and he returns to work, Phil reviews all his photos and is surprised that he can scarcely recall any sensation of all that “fun” he was supposedly having. He wonders why this is, and what he is missing. After some consideration, Phil realizes that he’s been so busy attaining goals and meeting requirements, both in work and on vacation, that he has forgotten how to have fun. He wonders if he really knows what fun is.

Fun is an attitude, a state of being; it’s playfulness, enjoyment or amusement. Fun can inspire you, motivate you and empower you to change your attitude, reactions and perception of yourself. Fun and a sense of humour will propel you toward your goal

thing you own, embrace and develop within as you live life in the present moment. It’s easy to think that fun and happiness are things that you might wish would happen to you — things that come from a source outside you, such as a vacation or a new car — but that is a mistaken belief. You make the fun happen. It is totally up to you whether you enjoy life. Here are some tips to help you raise your fun quotient:

### **DEVELOP YOUR ABILITY TO “BE IN THE MOMENT”**

Allow your inner self to awaken and recognize the sheer beauty of being alive. Use gratitude to build your enthusiasm for life, and stay in that attitude as you approach any task, obstacle or occasion. Give yourself permission to wholeheartedly enjoy each moment without judging. Be playful – keep your knees loose, so to speak.





**You make the fun happen. It is totally up to you whether you enjoy life.**

time, not in a digital sense. Yes, social media can be fun, interesting and helpful, but there's no substitute for real, live socializing. And the people in your network will support and energize your practice of having fun.

#### **CELEBRATE LAUGHTER**

When was the last time you laughed so hard you cried? When was the last time you laughed so hard your sides hurt? Kick-start your laughter engine – visit a comedy club, watch a funny movie or TV show or read a humorous book. Be silly with someone you trust. Let your hair down, so to speak, and see how much healthier, more likeable and spontaneous you feel. Get into the fun of laughing at yourself, and always take the opportunity to laugh with others.

Take a lesson from Phil's story. It's easy to be so overcommitted to reaching your goals or meeting your expectations that you forget to have fun. Choose to laugh, feel good and amuse yourself and others — these are conscious actions and skills that can be developed until they become second nature.

Having fun, laughing and feeling good will improve health and performance, accelerate learning and memory, increase confidence and empower you to accomplish even more than you dreamed possible. Those who live each moment with a sense of fun and humour find it easier to tolerate, accept and amuse others. Enhance all your relationships with your new attitude. Remember to celebrate the present moment, enjoying each and every aspect of living, and you will introduce you to yourself again and again. □

---

Marti MacGibbon, CADC II, ACRPS, is a certified mental health professional, humorist, inspirational motivational speaker, veteran stand-up comic, author and member of the National Speakers Association. Her memoir, *Never Give in to Fear*, is available on Amazon.ca and through her website, [nevergiveintofear.com](http://nevergiveintofear.com).

See page 16 for further  
commentary on last issue's dilemma

By Michael McDonald, PhD, CGA (Hon.)

# ethics in

## THE DILEMMA:

**Sam Sangiovese has a problem. Last year, he had a disagreement with his senior colleague Suzanne Muscadet. Suzanne tried to pressure Sam into using an inappropriate method for reporting corporate net income in order to prepare for their company's initial public offering (IPO). Sam strongly resisted the pressure and finally told Suzanne he would have to report her to CGA-BC if she continued to insist on overstating corporate income and profits for the IPO. Suzanne ultimately backed down and agreed with Sam about the appropriate valuation method. Sam was quite relieved when Suzanne did this.**

**However, a year later the matter was raised in a different form. Sam had a request from the head of human relations at Sylvaner Enterprises for a reference regarding Suzanne's job application for the position of CFO. While Sam thinks that in many respects Suzanne has the right qualifications for the position, he has serious doubts about Suzanne's integrity. He believes that Suzanne only agreed with him about the IPO valuation because of the threat to make a complaint to CGA-BC. However, the fact remains that she did back down, which leads Sam to believe that matter is now closed.**

**What, if anything, should Sam say about Suzanne's qualifications for the CFO position?**

## GIVING A REFERENCE

In the world of business, as well as in the world I inhabit – the academic world – references are very important pieces of information for hiring. I have been on many hiring and promotion committees where a single paragraph in a letter of reference can make or break it for the candidate. Yet those relying on written or verbal references need to be appropriately sceptical about references. Not all referees are well informed, communicative or even fair. So if the decision is an important one, it is essential to gather information from a variety of sources, including interviews with the candidates.

That said, a single reference often carries a lot of weight. It can do this sometimes as much by what is not said as well as what is said. Praising a job candidate for his dapper appearance can damn with faint praise (unless the job is in the fashion industry). Still, withholding information about the candidate that is crucial for the job in question and that is otherwise unavailable to the company doing the hiring may have the undesirable consequence

of leaving the hiring organization without vital information.

Ethically this is problematic in terms of the golden rule – treat others as you would wish to be treated. That is, if I am receiving a reference, I would like to have truthful and candid information. I emphasize the word “candid” here because the recipient of a job reference wants not just part of the truth but the whole truth from the referee.

## A CRUCIAL CAVEAT

However, an important qualification needs to be added to what has been said so far about the desirability of offering a complete and candid reference. Are the misgivings Sam has about Suzanne's qualifications something that he is ethically entitled to pass on to Sylvaner Enterprises? My reading of the situation is that it would be ethically inappropriate for Sam to cite the history of his interaction with Suzanne over the preparation of the IPO.

One reason why Sam should not discuss this incident in any detail is that it would reveal confidential corporate information.

# focus

A second reason is professional. Following CEPROC, Sam stated his concerns about Suzanne's position on the IPO and gave her the opportunity to respond before he would have reported the matter to CGA-BC. Since Suzanne did respond positively, albeit perhaps reluctantly, the matter of professional behaviour is now closed.

## **BALANCING COMPETING CONSIDERATIONS**

Having thought about both the ethics of reference giving and the ethics of professional confidentiality, Sam has to make a decision about what to say to Sylvaner Enterprises about Suzanne's professional

---

Michael McDonald is Professor Emeritus of Applied Ethics at the W. Maurice Young Centre for Applied Ethics at the University of British Columbia. In 2006, McDonald received an Honorary CGA for his extensive work in accounting ethics education. McDonald welcomes suggestions for new cases and solutions for this column.

qualifications. I think that there is some latitude in this situation as long as Sam stays within the ethical boundaries of truthfulness and confidentiality.

If I were in Sam's shoes, I would say that Suzanne has considerable technical expertise, but decline to offer an opinion on her leadership qualifications and character. If pressed on the latter point, I would say that I was not in a position to offer an opinion for professional reasons and leave it to Sylvaner to speculate about whether those reasons are confidentiality, ethics or collegiality.

Some readers may think the best course of action is to refuse to offer a reference or to narrowly demarcate the areas in which they could offer an opinion on Suzanne's suitability for the position. Another possibility would be for Sam to suggest that a reference be sought from Suzanne's superior rather than from Sam, who is subordinate to Suzanne. I think these all are ethically defensible positions in that they are truthful, respect confidentiality and allow those seeking the references to draw their own conclusions about Suzanne's qualifications.

## **NEXT ISSUE'S DILEMMA:**

**Mark Chagall is a recently graduated CGA who has been acting as the junior on an audit of Picasso Industries with Hank Van Gogh as lead auditor. Mark and Hank have been friends for years and are employed by Turner and Matisse, CGAs. The audit has progressed very slowly and work is now three weeks behind schedule. One of the partners, Bill Turner, has asked Mark to explain the delays.**

**Mark is worried about what to say to Bill. The problem, as Mark sees it, is that due to excessive drinking, Hank has been very unfocused during the audit. In fact, Mark covered for Hank at two client meetings when Hank was too hungover to participate. Mark is worried that reporting this to Bill might jeopardize Hank's position and his own friendship with Hank. What should Mark do? Further, if Mark does report this to Bill, how should Bill respond?**

---

**Please email us your thoughts on this ethical dilemma. We accept anonymous submissions provided we can verify that you are a CGA or student. Send your feedback to [edowning@cga-bc.org](mailto:edowning@cga-bc.org).**

# ethics in focus update

*In the spring issue of Outlook, the 'Ethics in Focus' dilemma presented a situation that could be interpreted in multiple ways, depending on your perspective. The commentary on the dilemma omitted Professor McDonald's interpretation and so he is providing further comment below. – Ed.*

## PROFESSOR MCDONALD'S COMMENT

In the last issue, the dilemma centred on a conversation between a CGA, Ann Sampson, and her sister Kate. As you may recall, Kate was unhappy with a valuation done by her accountant Sam Lo, CGA. Kate thinks Sam seriously underestimated the costs of securing financing on some properties. Kate described the situation to her sister. Ann, in response, outlined how she would have done the valuations. She also told Kate that if she was unhappy with Sam's advice she should discuss the matter with Sam. And if she was not satisfied with the results of the discussion, Ann said that Kate could contact CGA-BC.

Kate took neither step recommended by Ann and instead "bad-mouthed" Sam in the local community, citing her conversation with Ann about what a competent accountant would have done. Sam was understandably upset by Kate's comments and told Ann that she should have voiced her concerns directly to him rather than through her sister.

The heart of the dilemma revolves around whether Ann breached Rule R105 by publicly criticizing Sam's professional conduct without first discussing the matter with Sam. Sam obviously thinks that Ann did violate Rule R105, but is he right?

I don't think that a simple yes or no answer can be given to this question. We have to look at the context of Ann's conversation with Kate and examine Ann's responsibility for what Kate did as a result of that conversation. We can do this by looking for details that would provide either a clear "Yes, Ann breached Rule R105" or a clear "No, Ann did not breach Rule R105."

## A Clear Yes

Here, let's imagine that after Kate relates her story about Sam's valuation, Ann says that Sam is clearly at fault for not following standard valu-

ation procedures. Maybe Ann even says, "Kate, you have every right to complain. Sam was just plain negligent!" Even if Ann doesn't quite use these words, but implies that Sam was in breach of professional standards, she still bears responsibility for unprofessionally criticizing a colleague.

If this is how we read the situation, then the comments in the last issue of the Ethics in Focus article were clearly warranted. Ann should have brought her concerns directly to Sam and asked him for a response. If Ann was dissatisfied with Sam's answer, she would then be obliged to take the matter to CGA-BC.

## A Clear No

There is an alternative plausible reading of the case. In her conversation with Kate, we can imagine that Ann was very careful not to blame Sam. She could have said to Kate, "Look Kate, I am not your accountant, and as your sister I don't want to take on that role. I haven't reviewed any of the materials from this engagement. If you are not happy with what Sam did, I suggest you talk to him. If you are still upset, then it is up to you to contact CGA-BC."

If this was the general nature of Ann's discussion with Kate, it would be quite unfair to blame Ann for breaching Rule R105. Ann acted responsibly by suggesting Kate first talk to Sam and then, if still dissatisfied, contact the provincial association. We cannot reasonably expect Ann to be her sister's keeper and be accountable for Kate's misreporting of their conversation.

## What Then?

Let me pursue the "clear no" scenario further because it does have important ethical implications. An obviously irritated Sam contacts Ann about her alleged breach of Rule R105. What should Ann do?

I would advise Ann to explain what exactly she told Kate – making it clear that (a) she was not criticizing Sam's conduct because (b) she was not in possession of adequate information and (c) she was not acting as Kate's accountant. Ann should go on to say that "This is a matter between you, Sam, and my sister Kate. It is not a matter between you and me. But I will certainly tell my sister to stop saying that I endorse her claims of professional negligence."

## Lessons to Learn

I would draw some lessons from this case. One is that situations can be read in different ways. We sometimes need more details before we can decide whether someone acted ethically or not. When I originally constructed the case, I was thinking more in terms of a "clear no" situation than the opposite. But the case could also be read otherwise, so more detail is needed to assess the situation.

A further lesson is about informal communications with a family member, friend or acquaintance. Like other professionals, you will, as an accountant, hear criticisms of professional colleagues, often in very informal settings such as parties or backyard conversations. It is important that you avoid making casual criticisms of colleagues. If you see something that does deserve criticism, then you need to become involved as a professional and follow the professional rules of conduct, including Rule R105.

However, I don't think the right lesson here is that you should avoid all discussions of professional practice except with clients and colleagues. Speaking as Ann did about standard accounting procedures is part of educating the public. So too is suggesting that complainants talk to their accountant again to see if matters can be resolved. You could also recommend engaging another CGA to review the situation or, finally, contacting CGA-BC. □





Electrify your daily commute on our powerful, pedal assist e-bikes



**MAKE A GREAT PERSONAL ACCOUNTING DECISION IN 2012**

**\$150** DISCOUNT FOR **CGA** MEMBERS



**POWER**  
**MAXIMUM POWER & SPEED**

Our e-bikes come with the maximum size motor (500 watt) and battery (48 volt) allowed in Canada without the need for a special license or registration.



**SAVE MONEY**  
**A GREAT ROI ON YOUR RIDE**

If you commute to work most days by e-bike, your savings in gas, car depreciation, and parking fees will pay off your bike purchase in less than a year!



**BENEFITS**  
**YES TO HEALTH - NO TO SWEAT**

Pedal Assist bikes allow you to get the benefits of exercise while ensuring you don't arrive at work sweaty.

Elite Electric bicycles are like regular bikes but have a battery powered electric motor that propel the bike up to 32km/h while carrying a 150kg load for up to 60km's on a single charge. You won't find an e-bike of this quality at a lower price (especially with the CGA discount) anywhere in BC. Order your e-bike today. Offer expires August 31, 2012

Phone 1 888 996 4389

Visit [eliteelectricbikes.com](http://eliteelectricbikes.com)







# Solving the Succession Problem

There are different recipes for success, but the key is to start planning. Now.

*By Gundi Jeffrey*

**S**o much has been written about succession planning for accounting firms – advice on how to do it and warnings about the risks of not doing it – and it still doesn't stick to the bones. Many sole practitioners, small firms and medium-sized firms have done absolutely nothing about getting ready for the time they no longer have the time, need, energy or inclination to continue running their businesses.

But there are exceptions – three CGA firms in B.C. seem to have come up with succession plans that also serve as their recipes for success.

"It's not that my accountant colleagues don't think about succession issues," says Gordon Clissold, FCGA, Controller of Burnaby-based Autopro Automation Consultants and a former

Chair of CGA-BC. "They think about them a lot but they don't always take action to deal with them because they are healthy and enjoying a strong business. In their mind, it's tomorrow's problem and they are focused on the challenges of running a business today."

But the consequences of not having a plan can be crippling. According to Robert Fligel of succession planning specialists RF Resources in New York, "when the senior manager or managing partner of an accounting firm becomes disabled or dies, the firm is likely to suffer considerable turmoil, loss of clients and even the risk of going out of business entirely." In short, the future looks dim – and still they don't plan.

There's a three-partner firm in Toronto where the youngest partner is



(From left to right): Renan Cabrera; Julio Young, CGA; and Jim Fernandez, CGA.



**“It’s not that my accountant colleagues don’t think about succession issues. They think about them a lot but they don’t always take action to deal with them because they are healthy and enjoying a strong business.”**

Gordon Clissold, FCGA, Controller of Burnaby-based Autopro Automation Consultants

72. The partners recently called on Steve McIntyre-Smith, an Ontario-based consultant to accounting firms, to tell him that “maybe it’s time for succession planning.” They have left it too late,” he says. “They have no one in the firm who can take over from them. They could perhaps consider selling their practice, but most of their clients are as old as they are. So their practice is getting smaller every year as clients retire, die or sell off their own businesses. That kind of practice is not very attractive to buyers. They’ll probably close their doors in three or four years.”

McIntyre-Smith also cites the example of an eight-partner firm where the managing partner is 82, in good health and a hard worker, “but he completely dominates his other partners, who aren’t even equity partners, they are salaried. He’s the big cheese and he loves it. One day they will find him slumped over his desk – and he’ll be retired. But what a mess he will leave behind.”

Todd MacDonald, CEO of MacDonald Practice Development in Toronto, describes the succession planning at a larger regional Ontario firm: “When a partner decides to retire, he asks all the partners who

are interested to gather in the boardroom and then he auctions off his client book to the highest bidder.”

Practitioners in the U.S. aren’t any wiser. A recent survey compiled by the Connecticut Society of Certified Public Accountants came up with a startling result: 98 per cent of sole proprietors, and 59 per cent of multi-owners, have no written succession plan in place.

Industry analyst Allan Koltin is head of the Koltin Consulting Group in Chicago, which advises accountants on a wide range of issues. He cites an American Institute of Certified Public Accountants study that found only 35 per cent of all U.S. firms had a documented succession plan in place, even though more than 60 per cent of the firms had owners between the ages of 55 and 62. “I believe the reasons most firms don’t do succession planning is that they either believe they will deal with it when they have to or they see their retirement as so far in the future that they don’t feel it is important to plan for it today. Clearly, neither answer is an acceptable approach to planning for the future.”

It’s not that there aren’t enough options out there – there’s pretty much one to suit

every type of firm. In brief, most of today’s succession arrangements revolve around:

1. Identifying and grooming one or more internal successors.
2. Acquiring a practice or merging downstream to bring in new partners to facilitate a future buyout.
3. Merging upstream, again to ensure a future buyout while enjoying the security of having other partners to share the workload and provide a wider range of services to clients.
4. Entering into a practice continuation agreement with one or more like-minded firms.
5. Selling the firm and/or its client list.

Acquiring practices or merging downstream is popular in B.C. “It brings in new blood,” says Jim Fernandez, CGA, of Fernandez Young LLP, a Vancouver-based five-partner firm. “If you don’t have that in the firm to attract the second generation of clients – or the younger businesses out there – you will soon lose their attention. We have clients whose children are starting to get involved in the business. We



have continued to hold their attention by connecting them to our younger staff members who have similar views on life.”

MacDonald is a fan of upstream mergers. “Solving succession problems is, in fact, what is driving the merger mania that is in our market today. Partners who are in their 60s are suddenly concerned about retirement, pensions and the second-generation client transfer. Older partners – especially those in control – look at what they have in terms of bench strength and get jittery. As a group, they don’t have much confidence in the next generation of partners to carry on the business and support their pensions. An upstream merger solves all their problems.”

According to Fligel, practice continuation agreements, which are ideal for sole practitioners and small firms, ensure that if the lead partners die or become disabled, the other firms involved will take over to service the clients and allow the practice to continue. “A one-on-one agreement is usually a buy-sell agreement to cover death or disability, while group arrangements allow several accountants to act

as successors to one another’s firms.”

Selling the firm is another option for small practices, as long as you plan ahead for it. McIntyre-Smith suggests that you act on this strategy as soon as you hang out your shingle. “Your sole focus should be on creating a practice someone would want to buy. That means choosing your clients carefully, offering services they will need and want, and setting appropriate fees – building a practice you like and that someone else would buy.”

But probably the preferred strategy for most firms with more than two partners is to groom someone within the firm for succession. “The internal successor is the logical choice if there is an internal candidate who is qualified to be the successor,” says Fligel. “But if the potential successor does not share one or more of the partner’s key beliefs and business outlook, this type of arrangement will probably flounder.”

McIntyre-Smith adds that “a big issue is the reluctance to relinquish control, particularly for sole practitioners and two- or three-partner firms. They have poured the blood, sweat

and tears into building a practice, they have put their names on the door and they don’t want anyone else taking over. It’s hard for them to let go.”

Let go they must, says Bill Reeb, founder of the Succession Institute in Austin, Texas. “And if the senior partners want to groom someone for succession, they need to start now, not three years from their targeted retirement.” If you have a couple of good potential candidates, he advises that you “develop them, do regular competency assessments, manage them closely for several years, coach and mentor them and tie your expectations of them to performance and compensation. Above all, tell them what is going on.”

This type of plan, explains Fligel, “requires a plan of goals, timetables, meeting clients, getting involved in business development with your existing clients, meeting with people who have referred you business over the years, and even your bankers. You have to take action to show that you are serious about transitioning. There has to be an equity interest offered at the beginning or within the year and a serious, agreed-upon plan before that person joins you

---

Gundi Jeffrey, a freelance business journalist and editor now living in Mexico, was the co-founder of *The Bottom Line*. Her articles appear in accounting publications in Canada, England and Mexico.

## The Power of the Pack

Jim Fernandez, of Vancouver-based Fernandez Young LLP, worries that too many accounting entrepreneurs – especially CGAs – operate as lone wolves. They hunt and work alone, and expect to reap the benefits of their hunting skills alone. But, romantic as that may sound, it isn’t good business sense, he believes.

All you have to do is look at the facts in nature, he says. “The wolves who hunt alone look bedraggled, their tails are between their legs, and they spend all their time hunting small prey. They rarely have enough food even though they spend all their time hunting. They have no time for play and relaxation – they aren’t happy animals.” Pack wolves, on the other hand, he says, “have sleek, shiny fur, their tails are up, they are stronger and they love to play with each other. When they hunt, they hunt together as a team, which lets them bring down large animals, such as deer and even moose or elk. So they eat very well too.”

Fernandez read about this in the 2010 book *The Wisdom of Wolves* by Twyman L. Towner. In that book, Towner explains that “the organization of the wolf pack remains the model of playfulness, teamwork, efficiency and sharing.” Wolves have maintained a consistent and effective culture, he says, even while adapting to environmental changes. Practising a kind of “natural population control” and living always “in balance with nature,” wolves have values that “are never compromised.” Wolves remain devoted to the group, are affectionate and place the education and care of their young above all else.

There is much to learn from these animals, says Fernandez. “The conundrum is how to get out of lone wolf mentality and learn to enjoy the benefits of the pack. A proper succession plan – whether it opts for practice continuation agreements, some type of merger or grooming qualified successors – will put you in the pack.”



**“If someone shows aptitude as a manager and looks like a potential shareholder, and there is interest from both sides, we make them an income partner for one year. They have all the rights of partners but have no equity ownership.”**

Bruce Hurst, FCGA, a shareholder and director of Reid Hurst Nagy Inc.

showing step-by-step, within six months or a year, what you are going to do to bring your successor up to speed.”

When the time comes to replace the managing partner, the partners will pick the right person, Reeb adds. “There is always someone the partners trust more, have more faith in, feel more comfortable with.”

There are several CGA firms in B.C. that are doing exactly what the experts advise. Bruce Hurst, FCGA, now a shareholder and director of Reid Hurst Nagy Inc. (RHN), and his partner John Nagy were shocked into developing a succession plan in 2001 by the sudden death of their third partner, David Reid, at the young age of 52. “Fortunately we had life insurance so that we could buy his interest from his estate, but we realized we didn’t even have a shareholder agreement or plan for going into the future. Although we were fairly young then – in our 40s – we needed a longer-term game plan on how to deal with partners retiring, as well as how to add new partners/shareholders and how we planned to grow in the future.”

The firm, which has four directors and 40 people in two offices in Richmond and Kelowna, is incorporated and

runs on a corporate model. From the get-go, it has focused on organically developing partners within the practice. After Reid died, Hurst and Nagy split the ownership 50-50. “The battle plan was to gradually sell a certain percentage to other partners until our retirement, with no one partner owning more than 20 per cent until then.”

RHN has had good success with developing leaders organically. “If someone shows aptitude as a manager and looks like a potential shareholder, and there is interest from both sides, we make them an income partner for one year. They have all the rights of partners but have no equity ownership. That gives them a taste of what it is like to be a shareholder. If it works out, by the end of the fiscal year they can join the shareholder arrangement and become part of the succession plan.”

Hurst notes that RHN’s managing director will be retiring at the end of the year and one of the partners is being groomed to succeed him. “While the managing director – who runs the day-to-day affairs of the firm – is still with us, he is having the designated partner take on a lot of his responsibili-

ties so he can take over by the end of the year.” Although that partner is also great at business development, “he’s a hands-on sort of guy who likes to be involved in all facets of the firm.”

For Gabrielle Loren, CGA, who heads up Loren, Nancke & Company in North Vancouver, the succession plan was a gradual evolution of her business plan. Opening her doors in 1989, she now runs a firm with three partners and 15 employees. Successful in attracting clients from a niche market of mostly incorporated professionals, small companies and family-owned businesses, she ultimately realized that “you get to a point where you have to decide whether you are simply earning an income or building something for the future.”

Loren opted for the latter and made her first employee her first partner and, together, they continued to build a flourishing practice. As Loren approached 50, she thought it might be nice to hand the business off to someone else one day. “That’s when I realized I already had a succession plan in place – my partners.” Last August, she brought another employee into the partnership family and others are being groomed along the way.

“Because we do things so uniquely, finding someone who fits into our system is difficult. So we hire juniors – six alone last November – and train them. When we hire it is always with the thought that they will be the next partners.”

Loren also explains that the firm isn’t really grooming someone to take just her place. The firm works on a team basis. “I don’t have clients, but the firm has a lot of them. So, working cooperatively as a team, anyone can help a client or answer questions.” And succession will also be a team effort as the firm grooms different people for different roles, such as marketing, community liaison and human resources.

This means that by the time she’s ready for retirement, “the succession will be in place. Here, you can go from university degree to partner in 10 years. By the time I get to retirement, I’ll be a minority partner in the firm. And, because clients have been dealing with the team for so long, whether I’m there or not, their needs are being met so I’m irrelevant.”

The succession plan is a lot more formal at Fernandez Young LLP, a five-partner firm in Vancouver. Heeding a message CGA-BC has been send-



**“We have clients whose children are starting to get involved in the business. We have continued to hold their attention by connecting them to our younger staff members who have similar views on life.”**

Jim Fernandez, CGA, of Fernandez Young LLP

ing out for years, Fernandez says his firm drew up a plan that included:

- a strategic vision and goals,
- a preferred exit option, including the potential groups of successors,
- a format for determining the value of the practice,
- a timetable for events and transition of the existing partners,
- the mechanics for transferring clients to new partners,
- a financing outline for the succession plan,
- a procedure for monitoring the succession process, and
- a contingency plan in case of incapacity or untimely death.

In developing this plan, the firm considered several options for ensuring the continuing life of the firm and finally settled on a combination of buying up smaller practices, establishing satellite offices under the stewardship of senior staff and grooming selected staff members for partnership.

The way the firm chooses its acquisition targets should be a lesson for all practitioners who have put off planning their own exit strategy. “One of the critical factors we look at

is the age of the firm owners,” Fernandez explains. If they are old, we know their clients will be of a similar age and we will eventually lose their accounts. So, we look for firms locally that can understand our vision. But I want to bring in people younger than 40 so that we can have some young blood in the firm.”

Fernandez says the firm is currently grooming two successors “and we hope to find a few more over the next few years. When we hire, we look for people with leadership potential, initiative, good customer relations, technical strength and good interpersonal skills.”

“There has been a lot of media attention about the shifting demographics and the relatively small workforce that will be left to support a very large population in the future,” concludes Clissold. “If these predictions are correct, we can see that there will soon be many firm owners looking to sell or transition their firms, with too few people looking to purchase or take over. Those arriving too late to the party are going to find they can’t find someone to take over their business or end up selling it at a fire sale price.” □





'New' members of the Quarter Century Club



## Quarter Century Club Honours 199 'New' Members

The Quarter Century Club celebrations were held on May 11 at the beautiful Sutton Place Hotel in Vancouver. This was an evening to honour and celebrate the newest 199 Quarter Century Club and the 18 Half Century Club members for their outstanding service and contribution to the accounting profession.

Cindy Choi, FCGA, Chair of the Association's Board of Governors, best encapsulated the spirit in the room: "We belong to an incredible Association and you all deserve special recognition for upholding the values and ideals we hold dear," she told the members and guests in the audience.

Congratulations to all the newest inductees!





**Opposite, bottom left:** Marke Driesschen (left), Weathercaster for CTV Morning Live, served as Master of Ceremonies and Bill Schulz, CGA, Chair of the Quarter Century Club, presided over the Club's annual general meeting.

**Opposite, bottom right:** Yvette Cormier, CGA, with Chair Cindy Choi, FCGA.

**Top left:** Laurence Westgeest, CGA (right) and guest Moira Simons.

**Top right:** (from left to right): Past-Chair Margaret Woods, FCGA; Joyce Hendriks, CGA; Joan Sargent; Chris Sargent, CGA; Donna Sargent.

**Centre left:** Terry Cook, CGA, receives his award from Chair Cindy Choi, FCGA.

**Centre right:** Moe Jones, FCGA, and his wife Linda. Moe provided an update about the CGA-BC Educational Foundation and was also inducted as the newest member emeritus of the Quarter Century Club.

**Bottom left:** (front row, left to right): Wayne Vincent, CGA; Bachan Singh Toor, CGA; Leslie Forth, CGA; Michael Whitehead, CGA; (back row, left to right): Moe Jones, FCGA; Eric O'Dell, CGA; John Berikoff, CGA; Cindy Choi, FCGA.

**Bottom right:** Gordon Gray, CGA, and CGA-BC Chair Cindy Choi, FCGA.

“The key to the AGLG’s effectiveness is its separation from government, and an Audit Council of impartial experts ensures that independence.” Ida Chong, FCGA, Minister of Community, Sport and Cultural Development



CGA-Canada President Anthony Ariganello, FCGA, and Lisa Payne, CGA, among five new appointees to council overseeing the Auditor General for Local Government

# CGA will chair provincial Audit Council

→ Auditors general (AGs) play a very important role. Their work helps reduce waste by providing independent financial oversight of the activities performed by public accounts committees and senior government officials. They also strengthen our public institutions and maintain trust in our government officials.

As we witness more senior officials acting on the advice of AGs, it’s clear that bureaucrats value AGs’ recommendations and believe their expertise can improve the performance of our systems of government.

Recently, two prominent B.C. CGAs answered the call to serve, with Anthony Ariganello, FCGA, and Lisa Payne, CGA, named to the Audit Council overseeing the Auditor General for Local Government (AGLG). Ida Chong, Minister of Community, Sport and Cultural Development, made the announcement and called the creation of the Audit Council a crucial step toward establishing the autonomy of the AGLG.

“The key to the AGLG’s effectiveness is its separation from government, and an Audit Council of impartial experts ensures that independence,” said the Minister, herself an FCGA. “These five Council members have an ideal balance of expertise, and I am fully confident that they will do an exemplary job both in making a recommendation

Anthony Ariganello, FCGA, is President of CGA-Canada; Lisa Payne, CGA, is COO and VP, Finance for Colligo Networks.





**“We are witnessing the steady rise in the number of CGAs being appointed to government committees and task forces, as well as serving in executive positions and on boards of companies and not-for-profit organizations.”** Cindy Choi, FCGA, Chair of CGA-BC’s Board of Governors

and in overseeing the position.”

Ariganello, who was named Chair of the Council, is President and CEO of CGA-Canada. Previously, he was President of Avon Canada Inc. Payne is COO and VP Finance for Colligo Networks. Before joining Colligo, she was acting CEO and CFO of the BC Innovation Council.

“Tony and Lisa have made immeasurable contributions to CGA-Canada and the BC Innovation Council [respectively],” said CGA-BC Chair Cindy Choi, FCGA. “I have no doubt their expertise will be just as valuable to the AGLG’s

Audit Council.”

The importance of broad-based expertise is paramount. In fact, as the public service function becomes more complex and expansive, AGs and their audit teams have had to broaden the scope of their oversight activities and, consequently, complement their own expertise. In fact, at CGA-BC’s Eco Forum this past December, B.C. Auditor General John Doyle explained how today AGs could easily go find [non-accountant] experts in a given field to assist them in their duties.

Choi described the appoint-

ments of the two CGAs as further proof of an emerging leadership trend in the province.

“We are witnessing the steady rise in the number of CGAs being appointed to government committees and task forces, as well as serving in executive positions and on boards of companies and not-for-profit organizations,” said Choi. “This trend speaks to the deep trust that CGAs have built among the business community, the government and the general public in B.C.”

The Audit Council’s first task will be to make a recommendation

to the Minister as to who should be appointed Auditor General for Local Government.

The Audit Council will be responsible for monitoring the performance of the AGLG by reviewing and providing comments on performance audits, annual reports and service plans. It will also disseminate information about recommendations made by the AGLG.

The Council consists of a broad mix of professionals from different parts of B.C. with backgrounds in accounting, law, finance, business and local government. □



When **IT** hits the fan... CompuWork can help.

**Microsoft CERTIFIED Partner**

 **compuwork pacific inc.**  
www.compuwork.net

**WE ARE SOLUTION PROVIDERS SPECIALIZING IN DATABASES and DATA MANAGEMENT.** If you need to develop a new software application, rebuild an old one, or connect one to another, our Microsoft Certified specialists can help. We can make your data work for you. **CALL TODAY FOR A FREE CONSULTATION: 604-684-8211**

## fact vs. fiction

→ The Professional Conduct department recently had to review several cases of members who were incorrectly registered under our Retired Status category.

time employment” criterion only applies to accounting work.

**Fact:** This criterion applies to *any* work,

age requirement only, and were notified of this on April 14, 2009.)

**Misconception #3:**

“If I run a business and do not draw an income, and I am not being paid as an employee, I am eligible for Retired Status.”

**Fact:** If you are an active business owner, you are not eligible for Retired Status.

**Misconception #4:**

“I only have to confirm my eligibility for Retired Status once.”

**Fact:** You are required to confirm your eligibility each year by online statutory declaration when paying your member dues. In addition, if your status does change you must promptly advise the Association by contacting the Member Registrar.

*For further information, please contact the Member Registrar, Elize Combrinck, at 604.730.6229 or by email at [ecombrinck@cga-bc.org](mailto:ecombrinck@cga-bc.org).*

Separating fact from fiction about the rules governing retired status

## Retired Status –

### Do you actually qualify?

In many of these cases, the error centered on misunderstandings about some of the eligibility criteria for Retired Status.

Please review the following common retirement eligibility misconceptions with care; declaring Retired Status when ineligible could put you in contravention of the Association’s rules and even lead to a professional conduct investigation and discipline.

**Misconception #1:**

The “being permanently retired from full-

not just accounting work. If you are working full time, you are not retired.

**Misconception #2:**

“I don’t have to meet all the criteria to be eligible for Retired Status.”

**Fact:** You must meet ALL the criteria to be eligible. (The only exception is for those members who were already on Retired Status prior to the April 2009 introduction of the 55-year-old age threshold. These members were grandfathered in for the





# Get A True Investment Professional On Your Team.

With interest rates near historical lows and continued economic uncertainty in global markets, effectively managing your assets can be a daunting task. Let a true professional manage your or your clients' investments. At Zadra Wealth Management you will benefit from:

- **An experienced portfolio manager** – specializing in income generating portfolios as well as income and growth portfolios.
- **Cost effective investment management** – With solid historical risk-adjusted performance
- **Extensive knowledge of registered products** – IPP, RRSP, RRIF, TFSA, LIF.
- **Diverse linguistic resources** – We speak English, Mandarin and Cantonese.

Contact Zadra Wealth Management today and get a true investment professional on your team. We service all of British Columbia.

**Steve Zadra**, BBA, CGA, CFP, CIM  
Senior Vice President & Portfolio Manager

steve\_zadra@hsbc.ca  
Tel: 604-623-3256  
Toll Free: 1-888-286-7833

National Bank Financial  
Wealth Management  
885 West Georgia Street, 11th floor  
Vancouver B.C – V6C 3E8





# 18 OUTSTANDING SEMINARS. 4 INFORMATION-PACKED DAYS. B.C.'S BEST ACCOUNTING TRADE SHOW.

KELOWNA | SEPTEMBER 19-23, 2012 | DELTA GRAND OKANAGAN RESORT AND CONFERENCE CENTRE

CONFERENCE 2012



KELOWNA

CGA-BC CONFERENCE 2012

CGA<sup>®</sup>

CERTIFIED  
GENERAL  
ACCOUNTANTS

We see more than numbers.

Seminars cover a wide range of topics for accountants and other financial professionals. For a complete line-up of all the professional development seminars and to register, go to [cga-bc.org](http://cga-bc.org).

#### HIGHLIGHTS

- ▶ Bill Good, Vaughn Palmer and Keith Baldrey will provide an overview of the provincial political scene.
- ▶ *Give Me a Break: The Art of Making Time Work for You* with Hugh Culver
- ▶ *Technology Update* with Alan Salmon
- ▶ Celebration of the CGA-BC award winners

**Reserve your room** at the Delta Grand Okanagan—a special rate of \$214 is available. Call (800) 465-4651 and ask for the CGA-BC conference rate.

Register at [cga-bc.org](http://cga-bc.org), or call **(604) 732-1211** or **(800) 565-1211**.



← Victoria's Docksider Green exemplifies many best practices in green building.

Whether investing in green buildings really pays off is a key question in the world of sustainable building

By Nina Winham

# Accounting for value in green buildings

→ You feel better in them. Your employees are happier in them. And you know you're doing better for the environment.

But when it comes to the hard reality of the bottom line, does investing in green buildings really pay off? That's a question that continues to plague the increasingly prominent world of sustainable building. And it's one that accountants might help find ways to answer.

## WHAT IS A "GREEN" BUILDING?

The practices of sustainable building start from the understanding that a building is a consumer of materials and resources over its entire lifetime. A building that has lovely finishes but consumes huge amounts of energy for heat, lighting and cooling will – on a lifetime basis – cost far more than one that is energy and water efficient, requires less maintenance and uses long-lasting materials, even if the "green" features cost more up front. Other elements that add to a building's green credentials include using local materials, being situated close to transit, using finishes with low toxicity levels to protect indoor air quality, making use of natural light and ensuring good ventilation, often with windows that open.

Over the past 20 years, various standards have been developed to assess and provide certification for green and/or energy-efficient buildings, including LEED (Leadership in Energy and Environmental Design), Passive House, Minergie, Built Green, ENERGY STAR and EnerGuide.

B.C. has been a leader in developing green buildings, supported in part by programs such as BC Hydro's New Construction Program (NCP). An example of one NCP-supported project is Docksider Green, a 15-acre mixed-use residential development in Victoria, where efficient design has ensured buildings will consume 50 per cent less energy than conventionally designed buildings.

## FINDING VALUE

"Building green has been, unquestionably, a good thing since we started to identify it as such – over the past 10 years or so," says John Holland, President of PHH ARC Environmental and Treasurer of Light House Sustainable Building Centre. "When the economy was good, and it was easy to do, nobody was arguing about green being good. When the economy took a hit in 2008, people started to say, 'Where's the value? Why should I do this?'"

The basic issue with finding value in green building is that many buildings are not occupied by their owners. "Buildings are nearly always valued by their ability to generate

“Our new space hugely increased morale and performance, I think. We’re paying more, but it’s worth it. It’s purely anecdotal, but I think we’re getting many, many times more back in our staff attitudes and performance.” John Holland

money,” says Holland. But in B.C., energy costs are significantly lower than in other North American jurisdictions. In addition, the standard triple net leasing model for commercial real estate means tenants – not owners – absorb any increases or savings in operating costs, so owners have little incentive to invest in green. “That’s the really misunderstood aspect of green building,” says Holland. “People think, ‘The energy is cheap, why bother? Why take a risk?’ But they’re overlooking other important aspects of green building. First, energy costs are going to go up, so sustainable building is a hedge against rising costs. Then there are the values of durability and comfort.”

Green buildings are built to last longer, based on the understanding that tearing down and replacing buildings has a high environmental impact and cost. That designed-in durability also makes them less costly to own and maintain over time. But with the green building industry still relatively new, the value of durability hasn’t yet made its way into standard valuation practices.

The human value of green buildings, by contrast, has been established. California-based Hescong Mahone Group has published a

number of studies that show increased daylight improves students’ test scores by as much as 25 per cent. Similarly, retail stores with skylights experienced sales 40 per cent higher than similar stores in the same chain without skylights.

John Holland – whose firm moved to brighter space with better daylight a few months ago – has his own way of doing the math.

“Your typical lease cost for a normal building in B.C. is about \$20 a square foot,” he says. “In a professional office, which is where I work, a typical employee occupies about 200 square feet, and costs about \$60,000 a year – so your cost of labour is about \$300 per square foot.

“If you make the staff 10 per cent more productive by having a nice, daylighted, well-ventilated, well-controlled space, with bike racks and close to transit, the human capital performs better. Looking at the Hescong Mahone numbers, a 10 per cent increase in performance is hugely compelling in a professional service firm where innovation is value. It’s a huge payback.

“Our new space hugely increased morale and performance, I think,” Holland continues. “We’re paying more, but it’s worth it. It’s purely an-

ecdotal, but I think we’re getting many, many times more back in our staff attitudes and performance.”

### WHAT GETS MEASURED?

In 2005, a collaboration between BC Hydro, several governments, the Real Property Association of Canada and the Royal Institution of Chartered Surveyors produced a report called “Green Value – Green Buildings, Growing Assets.” At the time, it found that “while evidence is as yet thin, sufficient exists to say that green buildings do indeed make money.” The financial value identified included being quicker to secure tenants, commanding higher rents, enjoying lower tenant turnover, improving business productivity and experiencing lower operating costs. The report introduction concluded “you ignore green buildings at your cost. Green buildings can provide financial benefit.”

However, solid measures for these benefits have still not found their way into standardized financial routines. “Green buildings are grossly undervalued because the things that make them good are hard to measure,” says Holland. “The benefit is there. But nobody’s found a convincing or sup-

portable way of measuring it. In 20 years, we will have that data, and sustainable will be the way we build everything, in my view.”

With increasing understanding of human interconnectedness with our natural world – how we respond to sunlight and fresh air in the workplace, for example – it seems better measures must be within reach. Meanwhile, the cost of building green is coming down, as the building industry moves up the learning curve, and with financial incentives for energy-efficient building available from BC Hydro’s New Construction Program and Power Smart New Home Program, among others.

“Right now, the structure of real estate leasing has done little to incent sustainable improvements,” says Holland. “But I believe we’ll get more enlightened about life-cycle costing, and we’ll start looking at the big picture. It seems to me, where green building is concerned, we’re sort of in the financial dark ages right now.” □

*To find out more about BC Hydro Power Smart programs for financial incentives, tools and resources to help owners, developers and designers create a high-performance, energy-efficient building from the ground up, visit [bchydro.com](http://bchydro.com) or call 1 (866) 522-4713.*



FLEXIBLE OFFICE SPACE CAN IMPROVE YOUR BOTTOM LINE.  
NOT TO MENTION YOUR STATURE.



Special Discounts  
for CGAs in British Columbia



There's nothing quite like the feeling of walking into a first-class corporate facility with your company's name on the wall. Except what it feels like to pay for it, of course. But Intelligent Workspace makes this scenario not only feasible but also practical. Because with it, you pay only for the time you use your space, instead of the costly overhead of what you don't. Imagine having a prestigious business address available to you on an as-needed basis for important presentations or even temporary expansion. It's enough to make anybody stand up taller.

Intelligent Office Vancouver  
600 - 1285 West Broadway Vancouver, BC V6H 3X8

Intelligent Office Surrey  
250 - 2411 - 160th St. Surrey, BC V3S 0C8

778-371-3400 [mgray@intelligentoffice.com](mailto:mgray@intelligentoffice.com)





“BS baffles brains. If you don’t have chutzpah it’s like a piece of wet lettuce: it just lies there. And that was the problem I had with so many accountants. I had to enrol them in public-speaking courses because they couldn’t express themselves effectively.” Gerry McKinnon, CGA (Hon.)



CGA-BC’s first Executive Director instilled pride in all members and students

By Quintin Winks

## Standing a quarter-inch taller

→ All his life Gerry McKinnon, CGA (Hon.), did great things: he became a decorated war veteran, raised and supported a family, was successful in business and served countless volunteer hours. Throughout, McKinnon was influential in shaping the communities and societies where he lived.

Among his most recognized achievements was propelling the Certified General Accountants of British Columbia forward, helping it establish a sense of identity in the 1960s that enabled the organization to become the industry leader that it is now.

It is difficult to imagine today’s CGA-BC, with all its power and polish, operating with just McKinnon, Fran Maynard and two staff members. In 1967 they worked in a dreary little office on Hastings Street. The organization had 600 CGA students, with an additional membership of about 600. CGA-BC was the governing and regulatory body responsible for their training and certification.

Today the organization boasts nearly 15,000 CGAs and CGA students. Which makes it all the more remarkable that McKinnon was able to achieve what he did for the organization without being an accountant.

Yet for all his achievements as Executive Director, McKinnon says he is most proud of the letters BBE, which appeared after his name at his retirement from CGA-BC on December 1, 1981. The letters stand for Best Boss Ever and were bestowed on him by affectionate staff.

“He was realistic in how he perceived staff and the organization,” says Vernon Dean, who met McKinnon through CGA-BC in the 1960s and remains a close friend today. “He was fair and appreciated the staff and the work they did, and because of his own attitude a lot of them became CGAs.”

Born on October 3, 1920 in Peterborough, Ontario, McKinnon embarked on his first career as a military man in Brockville as World War II drew more and more countries into the fray.

In 1942, McKinnon was sent to a new school in Nanaimo on Vancouver Island. He crossed the country by train that February, eventually arriving in the Lower Mainland.

“I looked out at one point and there were snow-capped peaks and Holsteins standing up to their udders in green grass,” he says. “I thought I had died. Here it was February and we could wear short sleeves.”

If that optimism is to blame for an ensuing bout of pneumonia that landed him in a Nanaimo military hospital, it must also be credited with introducing McKinnon to his future wife.

While convalescing, the new brigadier intelligence officer met the “cutest little nurse” named Mary Campbell. The couple began dating and became engaged.

But as love played out on Vancouver Island, war played out in Europe. Before long Mary was shipped east, so McKinnon applied to go overseas. As he lined up to board the ship sailing for England he looked up, into the sea of faces, and saw Mary.

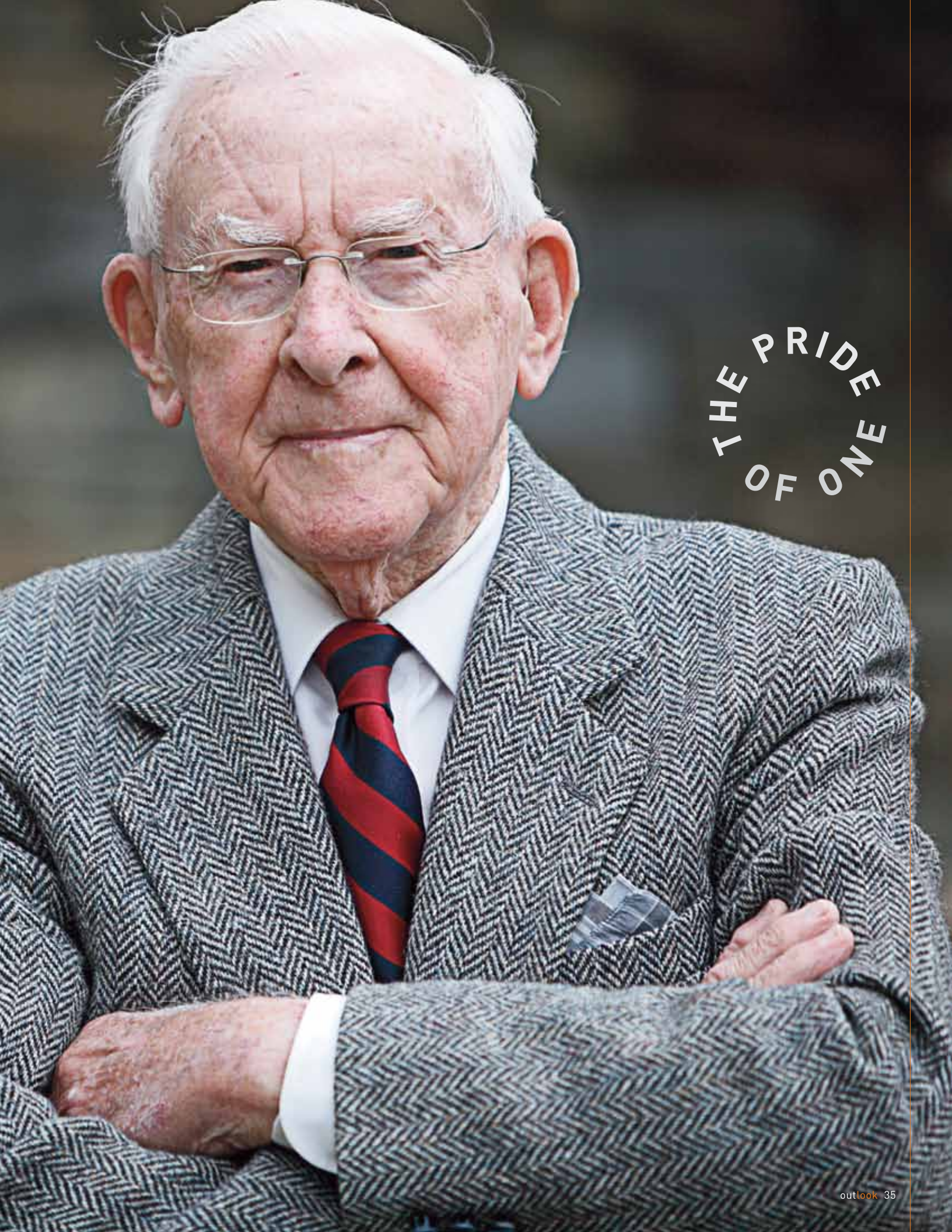
“Everything was secret and classified and we had no idea the other would be aboard,” he says. “Yet we ended up going overseas together.”

The reunion lasted as long as the voyage. McKinnon was transferred to the British army, Mary to a hospital elsewhere. They had a brief reunion over beer one evening before McKinnon was shipped to Normandy as part of the D-Day invasion.

“We were totally surrounded by people, some of them in big black helmets,” he says of the experience. “It was an indescribable situation.”

McKinnon was wounded during the invasion and flown back to England. Back on friendly soil, he was eventually transferred into Mary’s





THE PRIDE  
OF ONE





**“You are your own greatest competition. There is no group looking over your shoulders but yourselves. Don’t worry about chartered accountants, just worry about yourself.”** Gerry McKinnon, CGA (Hon.)

care. The couple married in 1945 and would remain together until her death some 60 years later.

Vernon Dean recalls Mary as an exceptional person who was dedicated to McKinnon and provided him with tireless support. She was also a terrific host, he says.

After the war McKinnon soldiered on in England; Mary moved to Vancouver with the couple’s new daughter. But two years without his family was enough for McKinnon, who followed Mary.

Soon after he arrived home, the family moved back to Peterborough. McKinnon started work with a food and industrial equipment manufacturer. He became Vice President and in his free time helmed numerous other organizations dedicated to business and community development at the provincial and national levels.

In 1967, he took early retirement and moved back to Vancouver with his family.

But retirement was not very stimulating for the former VP. So McKinnon approached the management consulting firm Kates, Peat, Marwick & Co. to see if it had any part-time work. The very next night he met the executive committee of CGA-BC and accepted a temporary job as Executive Director and Secretary-Treasurer that lasted almost 15 years.

One of the first people McKin-

non met during his tenure was Dean, who walked into the offices as a prospective student in 1968. Dean, who would eventually become President of CGA-BC in 1977, remained close friends with McKinnon and said his very first impression of McKinnon never changed.

“I used to call him Mr. CGA,” Dean says. “He was very helpful and enthusiastic. He was inspiring to all the members and students – he inspired them to be proud of the CGA designation.”

Within nine months, McKinnon had moved the organization from its dreary downtown office to West Pender. Although there was no money, McKinnon says there were connections and talent among the membership. When the organization needed something there was usually someone who knew where to get it at low or no cost. Meetings went late, beer sometimes flowed and what had been a lack of direction soon gathered momentum as a feisty can-do attitude.

Despite the sense of optimism McKinnon must have exuded, the organization’s board members had some reservations about the future of CGA-BC.

Instilling pride in all members and students took many years of hard work and was one of the most difficult challenges facing McKinnon. Yet it was also one of the things he did best and it helped raise the profile of the

organization.

In a speech to members and students early in his tenure, McKinnon spoke of building pride and his desire to see members walk tall.

“You are your own greatest competition,” he told them. “There is no group looking over your shoulders but yourselves. Don’t worry about chartered accountants, just worry about yourself.”

As a result of the speech, the organization’s unofficial motto became “stand a quarter-inch taller with pride in yourself, your association and profession.” McKinnon is as much an exponent of pride and audacity today as he was when he made that speech.

“BS baffles brains,” he says. “If you don’t have chutzpah it’s like a piece of wet lettuce: it just lies there. And that was the problem I had with so many accountants. I had to enrol them in public-speaking courses because they couldn’t express themselves effectively.”

What made him so dedicated to the organization also led to its expansion, improvement and growing presence in the financial world. McKinnon set long-term goals to attract more students and members, he engaged members’ spouses, he launched the Silver Circle to bring retired members back into the fold, and he changed a culture and a way of thinking.

CGA-BC’s profile grew along with its membership, its pride and its resources.

With the help of his staff, McKinnon revamped the CGA courses. His yardstick for success was the quality and growth of the institution’s students and members. In general, McKinnon says, he’s done his best to push the role of accountant from a junior position to an integral part of an organization as a Chief Financial Officer and other senior management roles.

“Finances all around the world are so important,” McKinnon says. “There are wonderful opportunities for a young person to become involved in.”

McKinnon’s advice to anyone entering the profession is to get an undergrad degree from university and then enroll in the CGA course. That, combined with an MBA, would be the pinnacle of professional career achievement, he says.

McKinnon is now 92, but he’s still active. He drives a snazzy convertible, uses an iPad and sings in a choir. And he’s still as audacious as he ever was.

“We put on a production of ‘Oliver’ for the folks in my building,” he says. “The staff joined in. We picked pockets and served gruel. It was a lot of fun.” □

*For his service to the Association and to the profession, Gerry McKinnon received an honorary designation in 1981.*

CGAs are accomplished professionals. In this feature, we highlight members who land major new positions, get promoted or achieve significant professional success. Please share your news with us.

# keeping **Tab**s



## CGAs in the News

British Columbia's Board Resourcing and Development Office announced that CGA-BC's Past-Chair and Treasurer **Bruce Hurst, FCGA**, has been reappointed as a member of B.C.'s Auditor Certification Board, which is responsible for certifying individuals and firms as auditors in B.C. Mr. Hurst is a Director and Senior Shareholder with the public practice firm of Reid Hurst Nagy Inc. in Richmond.



## Members on the Move



**Christopher Trumpy, CGA**, has been elected to the board of Canada's second-largest credit union, Coast Capital Savings. Mr. Trumpy served as B.C.'s Deputy Minister of Finance from 1998 to 2002 and from 2007 to 2009, in addition to other senior roles in his 30-year career in the B.C. civil service. His experience as a director includes serving as chair of Pacific Carbon Trust; finance committee chair of Coast Opportunity Funds; director for Puget Sound Energy; and board chair for the British Columbia Investment Management Corporation.



**Gordon Clissold, FCGA**, has been appointed Controller for Autopro Automation Consultants Ltd. in Burnaby. Mr. Clissold was elected to CGA-BC's Board of Governors

in 2002 and he joined the Association's Executive Committee in 2005. He served as CGA-BC's Chair in 2007 and he was awarded Life Membership in 2011.

We appreciate your contributions to 'Keeping Tabs.'

If you would like to submit news or updates concerning yourself or a CGA you know, please email the details to: [outlook@cgbc.org](mailto:outlook@cgbc.org).



“Go ahead and offer your customers an incentive to complain! Put a guarantee on your website: if you’re not happy with our service, contact us and pay us for the value you think you received.” Ron Baker

# publicpractice Edifier

## You are your customer list

Ron Baker points the way to greater profits and a happier life

By Lynn Sully

**R**on Baker is a passionate advocate for rethinking the traditional ways that accounting firms do business. In past issues of *Outlook*, he’s encouraged accountants to get rid of timesheets, move beyond the billable hour and embrace fixed-price agreements – all in an effort to transform the professional knowledge firm.

One of his manifestos is “You are your customer list.” *Outlook* spoke with Ron in mid-May about this innovative look at the importance of having the right customers in your firm.

**Outlook:** Let’s start with the title of your booklet. Why do you use the term “customer” rather than the more familiar “client”?

**Baker:** I believe in choosing words carefully. If you look at the etymology of the word “client,” it has certain connotations that aren’t quite appropriate to the relationships we want to create with our customers. “Client” comes from a Latin word that means a follower or a retainer, and it suggests a certain level of dependency. Think of how this word is used in other fields. Other than professional firms, it’s really only social workers who talk about their clients.

Businesses, on the other hand, have customers. And a business is about people and your relationships with them.

**Outlook:** But is a customer paying for the relationship?

**Baker:** That’s a fundamental question: What are we being paid for? What are our customers really buying? Most firms would



You can read Ron Baker’s “You are your customer list” at [www.verasage.com/downloads/customerlist.pdf](http://www.verasage.com/downloads/customerlist.pdf). Samples of Ron Baker’s fixed price agreements and change order forms are available under ‘Practitioners’ Resources’ in the Public Practice section of the CGA-BC website ([www.cga-bc.org](http://www.cga-bc.org)). In late May he spoke at CGA-BC’s 2012 Practitioners Symposium on trashing the timesheet and value pricing, and he participated in our panel discussion on practice management issues affecting our profession. Ron is the founder of VeraSage Institute, the leading think tank for professional knowledge firms, and is the author of numerous books. You can contact him at [ron@verasage.com](mailto:ron@verasage.com).

answer that they sell time. But none of us buy time. We buy solutions to problems or we buy for emotional reasons, such as peace of mind. Building on this, I believe that our customers are buying expectations. Our ability to meet and exceed those expectations is what customers are looking for, above and beyond the technical aspects of the service we offer.

**Outlook:** What does this mean for a professional accounting firm?

**Baker:** Your job is to exceed your customer’s expectations, something that is impossible to do if you don’t know what your customers expect. So for every transaction you need to ask: What do you expect from us? How do you define a successful relationship with us? Expectations aren’t static, so this is an ongoing conversation.

Expectations will centre around quality, price and service. Quality is assumed: that’s a minimum requirement if you’re going to play the game. And the market won’t let an unqualified accountant stay in business for long.

You could compete on price – but do you want to? This is difficult terrain, and there will always be someone willing to offer a lower price. Where you have an edge is in service – your customers’ experience and relationship with you, how you make them feel.

Apple, Disney and Lexus aren’t competing on price. In fact, they charge a premium. They can do so because they also offer extremely high standards of service excellence.

**Outlook:** So how do accountants compete on service?

**Baker:** Well, it starts with knowing the customer’s expectations. You can then add more value than your customers expect. Call them. Email articles relevant to their industry. Stay in touch and invest in the

relationship. Customers leave because they perceive that you're indifferent to them, that you don't care. Small actions are important.

**Outlook:** You say that the difference between an excellent company and a mediocre one is the feeling each has about customer complaints.

**Baker:** Well, complaints are important because they show us where we're weak. Most customers won't complain, they'll just walk away and not come back. So when a customer complains you have some valuable feedback.

**Outlook:** Are you saying we should encourage our customers to complain?

**Baker:** Go ahead and offer your customers an incentive to complain! Put a guarantee on your website: if you're not happy with our service, contact us and pay us for the value you think you received. If there's a problem you will hear about it. This gives you the knowledge you need to address the problem and make the customer happy. You'll likely emerge with a more loyal customer.

**Outlook:** Isn't a money-back guarantee risky?

**Baker:** Look, you already offer this. If a customer was upset with your service and told you about it, you would probably charge them less than the agreed-upon price. With the guarantee, you're just making it explicit – which gets you marketing clout and the ability to charge a premium. People will pay more for guaranteed service. Plus, if you've done a good job screening and selecting your customers, developing fixed-price agreements, and taking the time to understand their expectations, your customers may never pull the trigger on your guarantee.

**Outlook:** Let's talk about screening and selecting customers. Why is this important?

**Baker:** As individuals, we're defined by the company we keep. It's no different for a firm. You are defined by your customers. And frankly, not all customers are a good fit. This creates problems because you will find yourself over-servicing the bad fits to the detriment of your most valuable "A-list" customers.

When you're thinking of taking on a new customer, do your homework. A colleague of mine has potential customers fill out an extensive questionnaire to see if they are a good fit. Negotiate a fixed-price agreement to get to know the customer. It's a relationship: make sure you want to be with this

person over the long term.

Listen to your gut and remember that life is too short to work with toxic people. Baker's Law sums it up: Bad customers drive out good customers. Too many low-value customers suck up your time and are emotionally draining.

**Outlook:** So how do you get rid of existing "bad" customers?

**Baker:** Sell or refer them to another firm. Or do a forced churn: for every new "A" customer you bring in, get rid of two from the bottom of your list. Having lots of customers gives you a false sense of security. Really, they just add unneeded complexity to your business and make it more likely that you'll underserve your best and most profitable customers.

**Outlook:** But isn't it good to have lots of customers?

**Baker:** Think of the airlines: like accounting firms, they're operating with fixed capacity. Airlines maximize profits by dividing their planes into various customer groups from First Class to coach. If there are still seats left in First Class, they don't start giving those seats to someone only willing to pay a coach fare. The goal is not to serve more coach-paying customers, but to create an optimal balance that ensures capacity for high-paying First Class customers.

It should be the same for an accounting firm. You don't want to operate at maximum capacity, taking on any customer that shows up at the door. You want to operate at *optimal* capacity, finding the right mix of customers that works for you and increasing the number of First Class customers who appreciate your service and are willing to pay for the value you provide.

If you've done a good job figuring out your optimal capacity, you may have fewer customers than before but you will be more profitable. You'll also have happier customers, because we provide better service for those we like. A final benefit: your team will be happier too. No one likes to work for rude or toxic individuals that take up far more energy and time than they're worth.

**Outlook:** So in the end it comes back to the idea that you are your customer list.

**Baker:** Yes. You can't be all things to all people. Strategy is about saying no, and you need to say no to some customers. Ultimately, it's about enjoying the people you work with and having a better quality of life. □

## resources, courses and tools of the trade practiceUpdate

### 2012 Annual Public Practice Meeting

The Annual Public Practice Meeting will be held on September 20 during the 2012 CGA-BC Conference in Kelowna. This year's theme of "Building a Successful Practice" will include roundtable discussions about client communication, developing professional relationships, implementing efficient and effective systems and procedures, and how to evaluate your success. Join us for an interactive morning that will provide information about public practice issues and offer a great opportunity to network and re-connect with colleagues. Conference registrations will only be accepted online this year. Register for this event at [www.cga-bc.org](http://www.cga-bc.org).

### Deadline for the 2013 Public Practice Advisory Group Nominations is October 12

Members in Public Practice who wish to volunteer for the 2013 Public Practice Advisory Group (PPAG) are invited to submit their names for consideration. The PPAG advises the Director of Public Practice on matters relating to the practice of public accounting and the policies about registering and operating public accounting practices. In addition, this group recommends policies to ensure that the public interest is adequately protected. You are eligible to volunteer for the PPAG if you are a CGA-BC member engaged or employed in the practice of public accounting. Criteria for selection are partially based on regional representation, as follows: three candidates from the Lower Mainland, one from Southern Vancouver Island and two to represent the balance of the province. Please submit your Advisory Group Application by October 12 to Brigitte Ilk, CGA, Manager, Public Practice Research and Development, at [billk@cga-bc.org](mailto:billk@cga-bc.org).

### Tax and Financial Strategies Course Begins January 15, 2013

The next session of the Tax and Financial Strategies Program (T&FS) will begin on January 15, 2013. This real-life case study approach to tax and financial planning for owner-managed businesses addresses the life cycle of a business from incorporation through to business succession and includes dealing with a CRA audit and the death of a shareholder. Participants address topics that include income tax, HST and GST, the accounting treatment of advanced tax issues and correspondence with lawyers. This 10-month program consists of semi-monthly teleconference discussions and five case study assignments. Participants will obtain up to 40 verifiable CPD hours. T&FS will be of interest to both new and established practitioners seeking to upgrade their skills and improve their practices in the area of taxation by providing value-added services while minimizing the risk of professional liability. The course takes an extended break during tax season to accommodate workloads at that time of year. Visit the public practice area of our website and view the Public Practice PD area to obtain course details.

This issue's Current Assets features a series of gadgets that further your smartphone experience, as well as several handy summer devices for use at home or at the beach.



\$14.99



59.99



\$35.99



\$9.99



\$8.99



\$69.99

# currentAssets

By Trevor Hargreaves

## GADGETS



### Retro iPhone Case

Why enjoy the slim design of an iPhone 4S when you can impress passerby with your Gordon Gekko style handset from bygone years. This device might not do much to actually amplify the sound or improve functionality, but it will certainly garner a good laugh. [thinkgeek.com](http://thinkgeek.com)



### Waterproof Float Phone

Great for the summer pool user, this is a really handy device. It comes in a fully waterproof and highly buoyant case. It's also equipped with all the usual

bells and whistles of a modern device, including a 70-number phonebook, 3-way conference calling and built-in handset speakerphone. It has a 12-hour talk time on a single charge and can be either desk or wall mounted. Sure to make a big splash in your household. [hedonics.com](http://hedonics.com)

[hedonics.com](http://hedonics.com)



### U-Socket with Built-In USB Ports

If you, or other members of your household are particularly tech dependent, this is a great way to equip the device-heavy areas of your house. These

power sockets include two standard USB ports, which can be used to charge an array of devices, from iPhones to digital cameras. [hedonics.com](http://hedonics.com)

[hedonics.com](http://hedonics.com)



### UV Monkey

As summer approaches, here's a handy little device that also attaches to your keychain. It quickly indicates surrounding UV intensity, assisting you with sun-block decisions and sunburn avoidance. Handy for those summer weekends spent at the beach. [thinkgeek.com](http://thinkgeek.com)

[thinkgeek.com](http://thinkgeek.com)



### Earphone Speaker Keychain

This clever little device isn't made for people born with a single large ear as you might initially suspect. It's actually an external speaker that can be attached to your car keys for easy storage. Handy, useful and sharply priced. [thinkgeek.com](http://thinkgeek.com)



### Play Video Memo

This clever little gadget is basically an easy-to-use video-messaging centre. It allows you to quickly and easily record video messages for family and then stick the device to the fridge and go about your business. It's





\$8.99



Price TBA



\$2.99

certainly a stellar replacement for dry erase marker boards. It also has a standby time of 45 days with onboard messages, and up to 6 months without.

[nativeunion.com](http://nativeunion.com)



### iPhone Silicone Dust Cover Protector Cap Set

An iPhone isn't a cheap investment, and the iPhone port is an exposed area that's easily damaged or contaminated by dust, dirt and pocket lint. Enter this handy gadget, which protects this exposed area and thereby prolongs the life of the phone.

[gadgetplus.ca](http://gadgetplus.ca)



### Acer Aspire One 756 Netbook

The thing about netbooks is that they're often cheap and therefore underpowered and slow. Acer has begun to challenge this industry standard with their Aspire One 756 series, which comes with a choice of Intel Celeron or Intel Pentium processors. This line of netbooks is also torqued up with 4GB of RAM (2GB standard), Intel HD graphics, Microsoft Windows 7 and a screen resolution of 1366 x 768 pixels. All in, this is a powerhouse line-up of features for a tiny device. Well worth your consideration if you have need of a small, but multi-tasking tool. Still a few months away from

market availability, there's no word on pricing yet. But as it's a netbook, it's safe to assume that despite likely being on the upper end of that pricing scale, it'll still be very reasonable compared to a standard laptop.

[acer.ca](http://acer.ca)



## APPS



### Vintage Video Maker

By now, odds are that if you haven't actually used Instagram, you've at least heard about it. Facebook, as we all know, bought this cool little App for a billion dollars a few weeks back. The ability to texture and add effects to your photos with ease made this app extremely popular. The Vintage Video Maker basically emulates the features of Instagram but applies them to the video format. Rather than converting still images to look like Polaroid photos, this app makes your video footage look like Super 8 home video from the 1960's (along with a range of other aged kitsch-video options).

[iTunes.apple.com](http://iTunes.apple.com)



# snapShots

## Fraser Valley Connect 2012

Above, bottom left: Neil Focht, Accounting Manager for Enterprise Holdings, was one of the representatives from the many Partners in Employment Program employers who participated in the event.

Above, bottom right: 'Tax detective' Eileen Reppenhagen, CGA, and Rita Caron, CGA, Senior Accountant with Heming, Wyborn & Grewal, attended the event to help explain the benefits of the CGA program to eager students.

Opposite, bottom left: CGA-BC Chair Cindy Choi, FCGA, delivered the keynote address to more than 120 business students from the University of the Fraser Valley at the Newlands Golf & Country Club in Langley on March 12.





### 2012 Practitioners Symposium

Opposite, top left: Bruce Hurst, FCGA, was one of the event's featured speakers, joining his Reid Hurst Nagy Inc. partner John Nagy, FCGA, to present a seminar titled 'Staring at the Bark – How to Train Staff to See the Big Picture.'

Opposite, top right and above top left: Gabrielle Loren, CGA, and Gordon Chan, FCGA, attended the inaugural Practitioners Symposium, which featured great speakers, practical tools and tips, and lots of networking among practitioners.

Above, bottom right: (left to right): Joan Wallwork, CGA, accounting faculty member, Kwantlen Polytechnic University; Brian Friedrich, FCGA, member of the CGA-BC Board of Governors; and Aaron Collins, CGA, Assurance Services

and Business Advisor, MNP.

Above, top right: Janet Kirby, CGA, who is current chair of the Public Practice Advisory Group, chaired the Symposium's Best Practices Panel.



In each issue of *Outlook*, we profile a member or CGA student who is helping to build the CGA brand. This month we spoke with

### Alexandra Korneshuk, CGA Student

*Controller, Ferrari Maserati of Vancouver*

By Patrick Schryburt

#### **Tell us about your employment history and the career path you followed to get to this position.**

When I was still in high school, I started working at a car dealership as a receptionist. I continued working there through college – where I was taking mostly science courses – and the dealership started giving me small accounting-related tasks, mostly account reconciliations, which I found very enjoyable. This piqued my interest and led me to research different career options, after which I decided to enroll in the Accounting Diploma program at BCIT.

After graduating from BCIT, I worked briefly for another car dealership as a Junior Accountant, but the job did not prove to be challenging and after a bit of a search, I was offered an opportunity to work for Earls Restaurants' head office as an Assistant Regional Controller. I was later

promoted to the role of Assistant Corporate Controller. About a year after that I was offered an opportunity to work for Intrawest ULC as a Senior Corporate Accountant. I worked for three years with Intrawest, but I was looking for new challenges and when this position came along I jumped at it. I believe my experience in the auto industry and corporate accounting was what made my current position a good fit for both me and my employer.

#### **Can you briefly describe your current role/responsibilities with Ferrari Maserati?**

As a Controller at Ferrari Maserati of Vancouver I oversee the financial, treasury and strategic business functions of the organization.

#### **What do you enjoy most about your job?**

I enjoy the challenges that my job presents and new





TO THE PRIDE  
ONE

opportunities to learn not just accounting, but a variety of other skills.

**Have you ever driven a Ferrari or a Maserati? What was the experience like?**

Yes, I have driven both. The experience was thrilling! Having that much horsepower under your foot is almost scary.

**Are you able to give special deals for CGAs?**

We will always take care of friends and family!

**What do you like most about accounting as a career choice?**

I think accounting as a career is very flexible and provides many opportunities for employment in a variety of industries and fields, as well as offering a foundation of knowledge that can be beneficial in any business.

**Why did you choose CGA for your professional accounting designation?**

For me personally, CGA offered the most flexible education option that would assist me in many different career paths. I feel that the education and practical experience requirements of the CGA program have prepared me well to take on the variety of challenges I may encounter in my career.

**You recently participated in a panel discussion at CGA-BC's recruiting event for BCIT students. What prompted you to participate?**

When I was a student at BCIT, I remember having a lot of questions and concerns about different education paths and career choices, but not a lot of people to get this advice from. It is completely different talking to and getting advice from a counsellor, compared to the person who has recently gone through the same experience. By attending the event and participating in the discussion panel I simply wanted to answer the questions that I know current students had and to eliminate some of the fear and uncertainty about their future career choices.

**What are your favourite hobbies?**

I recently completed my first triathlon, which was both very challenging and enjoyable. It sparked a new interest in sports and I look forward to doing more in the future.

**What's the secret to achieving good work/life balance?**

Having extremely supportive and patient family and friends. I could not have done this without them! ☐



**ISLAND LIFE**

Current list price to purchase James Island, near Sydney, B.C.:

**\$78 million**

Size of the island in hectares:

**342**

Number of Jack Nicklaus-designed golf courses on the property:

**1**

Number of mock western ghost towns on the island:

**1**

Price paid for the island in 1994 by Seattle billionaire Craig McCaw:

**\$26 million**

**PHONE NUMBERS**

Smartphones sold by Samsung in the first quarter of 2012:

**42.2 million**

Smartphones sold by Apple in the same period:

**35.1 million**

Smartphones sold by Research in Motion:

**9.7 million**

Samsung's year-over-year change in sales:

**267%**

Apple's change in sales:

**89%**

RIM's change in sales:

**-30%**

**NEW BOX OFFICE RECORD**

Opening weekend gross receipts for the movie 'The Avengers':

**\$207 million**

Total worldwide gross receipts one month after its release:

**\$1.36 billion**

Estimated production costs for the movie:

**\$220 million**



**BUY AND HOLD**

Value at the end of 2011 of a \$10,000 investment in the S&P 500 first made in 1964:

**\$639,700**

Value in 2011 of a similar \$10,000 investment in Warren Buffett's Berkshire Hathaway:

**\$51.3 million**

**DUTCH DISEASE?**

Percentage of Canada's GDP derived from oil exports:

**6.49%**

Percentage for the Netherlands:

**10.41%**

Percentage for Saudi Arabia:

**52.34%**



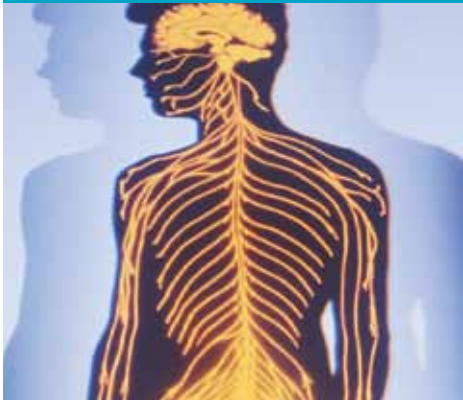
Sources: International Data Corporation, Berkshire Hathaway, International Monetary Fund, boxofficemojo.com, CBC News.





# Certified General Accountants

## We've made Private Health Services Plans cookie-cutter simple!



Recent Revenue Canada (CRA) Federal legislation now allows business owners to fully tax deduct 100% of their healthcare costs as a business expense using a Private Health Services Plan.

### Who qualifies?

Anyone who owns a business of any size, employees and dependents. No health questions or age limits. This is not insurance..

### What's covered?

100% of virtually all dental and medical expenses. Visit our website [www.trustedadvisor.ca](http://www.trustedadvisor.ca) for a complete list

### What's the cost?

There is a one-time set-up fee plus applicable taxes. The additional cost is 10% administration fee plus applicable taxes, depending on which province you live in.

### Who uses a Private Health Services Plan?

Business owners who:

- > do not qualify for group insurance or find it too expensive
- > find group insurance coverage too restrictive; i.e.; orthodontics
- > have sick child or spouse
- > want front of line treatment
- > want to write-off child support relating to healthcare expenses
- > large groups who have been struggling with significant cost increases each year.



### A partial list of qualified expenses:

- |  |  |
|--|--|
| Acupuncture                                  | MRI  |
| Alcoholism Treatment                         | Naturopath   |
| Ambulance                                    | Nursing Home (incl. board & meals)   |
| Anesthetist                                  | Optician   |
| Attendant Care                               | Oral Surgery   |
| Birth Control Pills                          | Orthodontist   |
| Blood tests                                  | Orthopedist  |
| Catscan                                      | Osteopath  |
| Chinese medicine                             | Out-of-Country Medical Expenses  |
| Chiropractor                                 | Physician  |
| Crowns                                       | Physiotherapist  |
| Dental Treatment                             | Prescription Medicine  |
| Dental Implants                              | Psychiatrist   |
| Dental X-rays                                | Psychologist   |
| Dentures                                     | Psychotherapy  |
| Dermatologist                                | Registered Massage Therapy   |
| Detoxification Clinic                        | Renovations & Alterations to Dwelling (for severe & prolonged impairments) |
| Diagnostic Fees                              | Special School Costs for the Handicapped                                   |
| Dietitian                                    | Surgeon  |
| Drug Addiction Therapy                       | Transportation Expenses (relative to health care)                          |
| Eyeglasses                                   | Viagra   |
| Fertility Treatments                         | Vitamins (if prescribed)   |
| Guide Dog                                    | Wheelchair   |
| Hair Transplant                              | X rays   |
| Hearing Aid and Batteries                    |  |
| Hospital Bills                               |  |
| Insulin Treatments                           |  |
| Lab Tests                                    |  |
| Laser Eye Surgery                            |  |
| Lodging (away from home for outpatient care) |  |

### Why are your clients doing this with their healthcare expenses?



Healthcare Costs	\$1600
(3% of net income) Deduct	\$1500
Available for credit	\$100
<b>Tax Credit*</b>	<b>\$25</b>

### When they could be doing this!

Healthcare Costs	\$1600
Admin Fee (10%)	\$ 160
Tax-deductible total	\$1760
<b>Tax Deduction</b>	<b>\$1760</b>

### EXAMPLE:

Net income of \$50,000 per year with family medical expenses of \$1600  
\*Based on a combined Federal and Provincial rate of 25%.

## Be the one to advise your clients...or someone else will.

 **Trusted Advisor**™  
Member of Trusted Advisor Network

**The Robinson Group Inc.**

June Borlé: 604.874.4429 Fax: 604.873.5600

Toll Free: 1.888.880.2266 Email: [june@trustedadvisor.ca](mailto:june@trustedadvisor.ca)

[www.trustedadvisor.ca](http://www.trustedadvisor.ca)



Note: This is a partial list. All allowable expenses must qualify as outlined in the Income Tax Act

# She's LinkedIn, has plenty of Friends and Tweets away



But it's who  
you know that  
really counts  
***She came to us.  
Shouldn't you?***



Professional Recruitment

**templine**<sup>TM</sup>  
Temporary Staffing

VANCOUVER | CALGARY

**604-682-8367**

1800 - 777 Hornby St., Vancouver

[www.angusone.com](http://www.angusone.com)

Call us for Smart Flexible Staffing

**Vancouver's #1 Employment Agency**