



Report On Industry



**Report on Industry is a bi-monthly
e-newsletter for CAs in industry**

Volume 2, Issue 4
July 2005

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Dear Subscriber:

Welcome to the July issue of the *Report on Industry* (ROI) with highlights of the latest trends and views, research, standards and regulations, information technology, human resources, legal matters, recent publications and other information relevant to CAs in industry.

We welcome your comments and suggestions for future issues. Please e-mail us at industry@cica.ca. To view our privacy policy, go to www.cica.ca.

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Stress and Burn-out Undermining Productivity and Competitiveness

In a recent study, 66% of 114 CEOs from the top revenue-earning corporations in the country said that "stress, burn-out, or other physical and mental health problems" are negatively impacting productivity and competitiveness. Many also felt they lacked clear direction on managing the many issues. What do Canadian companies need to focus on? Read the study *A FGIworld CEO Study on Health and Productivity in Canadian Industry* at:

www.fgiworld.com/eng/articles/6_8_05_survey_results.pdf

Innovation a Small Business Advantage

In today's rapidly changing competitive environment, innovation is the fuel that can help small businesses successfully compete with much larger organizations. But challenging the comfort and stability of the status quo requires a commitment to creating a culture of innovative thinking, building the muscles that sustain it, and nurturing the corporate imagination. See the article *Fostering Innovation in Small and Mid-size Companies* at:

www.refresher.com/!ddeinnovation.html

Offshore Outsourcing: Tomorrow's Contenders

A widely followed annual survey of the world's actual and potential off-shore locations for business-process outsourcing (BPO) anticipates major changes. The most remarkable of these is likely to be a quantum leap in the number of countries vying for the back-office work that is increasingly being outsourced by North American, Western European and Japanese companies. Read the article *Offshore Outsourcing: What's Working, What's Not* at:

<http://knowledge.wharton.upenn.edu/index.cfm?fa=viewArticle&id=1100&specialId=25>

Is it Time to Raise Prices?

Nothing provokes a case of the cold sweats like the thought of raising prices says author Alison Stein Wellner. After years of almost no inflation, relentless downward pressure on the price of almost everything and comparison shopping now a click of a mouse away, many businesses have not increased their prices for some time. But that could be a big mistake – today might be the best opportunity companies have had to raise prices in some time. Read the article *Is It Time to Raise Prices?* at:

www.inc.com/magazine/20050601/pricing.html

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STANDARDS AND REGULATIONS



Financial Instruments – Navigating New Waters

You've heard of them. You may even be procrastinating about reading them. The long-awaited accounting standards on Financial Instruments are here and they will apply to everyone. *Financial Instruments – Navigating New Waters* is a new booklet designed to take you from an apprehensive observer to an intrepid explorer of these new standards.

www.acsbcanada.org/multimedia/Download_Library/Standards/Accounting/English/e_FICEOCFO.pdf

More on the AcSB's Draft Strategic Plan

The June issue of the *FYI* newsletter includes a message from the Chair with comments on the AcSB's Draft Strategic Plan and an article providing an overview of international activities and the AcSB's existing work program.

www.acsbcanada.org/index.cfm/ci_id/4340/la_id/1.htm

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TECHNOLOGY MATTERS



Organized Cybercrime on the Rise

Two years ago, McAfee researchers were seeing roughly 300 potentially malicious threats emerging each month; today that figure has rocketed to 2,000. The *McAfee Virtual Criminology Report: North American Study into Organized Crime and the Internet* reveals how a new class of criminals is systematically targeting companies and the value stored on their computer networks. The report describes new threats (including the use of new technologies such as bot-nets) and suggests how businesses can protect themselves against criminal activity. Read the report at:

www.mcafeesecurity.com/us/local_content/misc/mcafee_na_virtual_criminology_report.pdf

One in Ten Employees Installing Unauthorized Software at Work

A Decima Research survey released by the Canadian Alliance Against Software Theft (CAAST) found that Canadian employees are increasing the risk of software piracy on workplace computer systems. One in ten employees admitted to installing software from outside sources without the knowledge of their IT department. Unlicensed software – whether illegally copied, purchased or downloaded – poses serious consequences to companies, including legal liability, security risks and viruses. Read the Executive Summary at:

www.caast.org/resources/executive_summary.pdf

Protect Your Company's Systems

Unauthorized software can infect your computers and networks with viruses and worms that could potentially destroy your data resources, financial systems and all other vital business functions. While most users are aware of the dangers of Freeware and Shareware, many do not realize that buying seemingly legitimate software online could also be high risk. See the article *Tips for a Safe Software Shopping Experience Online* at:

www.caast.org/resources/default.asp?load=tips&language=English

Software Piracy Costing Canadian Economy over \$1 Billion

A global software study released by The Canadian Alliance Against Software Theft (CAAST) reveals that software piracy continues to have a significant impact on the Canadian economy. The \$1.1 billion losses in retail sales reverberate up and down the supply and distribution chains, crippling local software industries and causing lost jobs and tax revenues. Read the *Piracy Study* at:

www.caast.org/resources/2004_global_study.pdf

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HUMAN RESOURCES



Lack of Team Work Top Reason Executives Fail

About 35% of new managers and executives failed in their jobs within the first 18 months of starting new positions during 2004, according to a survey of human resource managers. The number one reason why they fail is their inability to build strong relationships and team work with subordinates and peers, according to the survey. The second biggest reason they fail is their inability to accomplish the most important objectives expected of them, followed by their lack of internal political savvy. Read the article at:

www.corporate-ir.net/ireye/ir_site.zhtml?ticker=rht&script=410&layout=0&item_id=682974

Finding the Right CA for Your Organization

Expanding your management team? The recently enhanced *CA Source* website is a cost-effective way to advertise your company's employment opportunities to CAs across Canada. Highlights of the website's new features include:

- Enhanced look and easier navigation.
- Improved resumé matching for more accurate results.
- Save-resumé functionality to keep a record of the top candidates for your position.

CA Source is the largest national career site for CAs. Post a job for six weeks for just \$350 and receive seven weeks access to the resumé database at no additional charge.

For information on getting started, go to www.casource.com, click *Hire a CA* and click *How to Use CA Source*.

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LEGAL MATTERS



Balancing Canada's Competition and Patent Laws

The article *Eli Lilly and Co. et al. v. Apotex Inc. : Balancing Canada's competition and patent laws* gives readers insight into the interaction of competition law and patent law from a Canadian perspective.

Other highlights of the June issue of the Fasken Martineau's *Antitrust/Competition & Marketing Bulletin* include:

- Foreign investments that could compromise national security to be reviewed.
- Can a terminated distributor obtain relief under the *Competition Act*? Recent developments.
- The long arm of the Competition Bureau: Deceptive telemarketing.
- Consent agreement reached in Cineplex/Famous Players cinema merger.

To read the Bulletin, go to:

www.fasken.com/AntitrustCompetitionMarketingBulletin/Jun05

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US MONITOR



Survey Reports 74% CFOs Accessible While on Vacation

A recent survey, conducted by an independent research firm and including responses from 1,400 CFOs, indicates that nearly three-quarters (74 percent) of CFOs said they check in with the office at least once or twice a week during their vacation; 34 percent said they do so daily.

See the article *Staying Plugged in While You're Out* for a summary of the findings, including several tips for executives who want to be accessible yet still enjoy plenty of rest and relaxation at:

www.roberthalfmr.com/PressRoom?LOBName=MR&releaseid=1448

FACTA Disposal Rule Now in Effect

In an effort to protect the privacy of consumer information and reduce the risk of fraud and identity theft, a new federal rule is requiring US businesses to take appropriate measures to dispose of sensitive information derived from consumer reports. Enforced by the Federal Trade Commission, the Disposal Rule applies to both large and small organizations that use consumer reports including entities that maintain information in consumer reports as part of their role as a service provider to other organizations covered by the Rule.

See the article *FACTA Disposal Rule Goes into Effect June 1* at:

www.ftc.gov/opa/2005/06/disposal.htm

See the Business Alert *Disposing of Consumer Report Information?* at:

www.ftc.gov/bcp/online/pubs/alerts/disposalalrt.htm

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The Enthusiastic Employee: How Companies Profit by Giving Workers What They Want

By David Sirota, Louis A. Mischkind, Michael Irwin Meltzer

Publisher: Wharton School Publishing

Enthusiastic employees far out-produce and outperform the average workforce. Drawing on never-before-published case studies and more than 30 years of employee attitude research, Sirota and his colleagues detail exactly how to create an environment where enthusiasm flourishes and businesses excel.

MarketBusters: 40 Strategic Moves That Drive Exceptional Business Growth

By Rita Gunther McGrath, Ian C. MacMillan

Publisher: Harvard Business School Press

If all firms face similar obstacles to profitable growth, how do some companies successfully burst through these barriers, leaving their competitors in the dust? The answer lies in *MarketBusters*: strategic moves that dramatically reconfigure profit streams in an industry and upend conventional competition. Based on an extensive three-year study, McGrath and MacMillan identify five areas in which exceptional growth opportunities can be found, outline 40 specific market-busting moves, and provide practical tools and checklists to help leaders determine the best move to use in a given situation.

NAFTA Tax Law and Policy

Resolving the Clash between Economic and Sovereignty Interests

By Arthur J. Cockfield

Publisher: University of Toronto Press

Under the North American Free Trade Agreement (NAFTA), Canada, the United States, and Mexico continue to maintain their own distinct tax regimes, jealously guarding their sovereign right to do so. At times, these different tax systems harm the economic welfare of the trade bloc by imposing barriers to cross-border flows of capital. In *NAFTA Tax Law and Policy*, Arthur J. Cockfield, a Queen's University professor of law, analyzes these different tax systems and proposes a number of recommendations to reduce the harm caused by these barriers.

Self Leadership and the One Minute Manager

Increasing Effectiveness through Situational Self Leadership

By Ken Blanchard, Susan Fowler, and Laurence Hawkins

This recent book reveals how power, freedom, and autonomy come from having the right mind-set and the skills needed to take personal responsibility for success. In a captivating parable, the magician Cayla teaches the young advertising executive, Steve, the three skills of self leadership that not only empower him to keep his job but show him what he needs to know in order to keep growing, learning, and achieving.

Selling Your Private Company

By Howard E. Johnson, MBA, FCMA, CA, CBV, CPA, ASA

Publisher: CICA

This straightforward and practical guide provides business owners with a sound understanding of the stages involved in the private company sale process and what they can do when planning for and executing the sale to better achieve their personal and financial objectives. The discussion in this book revolves around the *Value Enhancement Framework*[™] – which is a synthesis of the keys to value enhancement in each stage of the private company sale process.

www.knotia.ca/store/sellcompany06

2,600 Phrases for Effective Performance Reviews

By Paul Falcone

Publisher: Amacom

This handy guide provides ready-to-use phrases and words, action items, and descriptions that managers, supervisors, and HR professionals can use when evaluating performance, preparing development plans and addressing performance problems. The book covers the 25 most commonly rated factors, including productivity, time management, decision making and teamwork, as well as specific roles such as customer service, finance, sales, and more.

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CONTINUING EDUCATION



The 25th Anniversary Presentation of The CICA Commodity Tax Symposium

September 26-28, 2005 – Ottawa, ON

The pre-eminent commodity tax event in Canada, the Symposium features keynote addresses, technical concurrent and general sessions, roundtables and strategy clinics – all developed to provide relevant and contemporary insights, opinions and interpretations and advice on risk management related to commodity taxation issues and to provoke discussion and debate about policy direction. Special keynote address by The Honourable Greg Sorbara, Minister of Finance, Tuesday, September 27.

www.cica.ca/index.cfm/ci_id/1123/la_id/1.htm

The 2005 Continuing Education Catalogue

To download the CICA's *2005 Continuing Education Catalogue* or to have a copy mailed to you, go to:

www.cica.ca/index.cfm/ci_id/645/la_id/1.htm

Report on Industry Online Archives

Need to refer to a source cited in a previous issue of *Report on Industry* (ROI) that could help you today? Bookmark this link to the ROI archive site to access PDFs of our past issues.

www.cica.ca/index.cfm/ci_id/25048/la_id/1.htm

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Report on Industry is a bi-monthly e-newsletter published by the Canadian Institute of Chartered Accountants (CICA) for CAs in industry. The information contained in this e-newsletter is for information purposes only and is not necessarily endorsed by the CICA.

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Publisher – Cairine Wilson,
Vice-President, Member Services
Editor – Kathleen Aldridge, B.A., Dip. Ed.
Designer – Megan Kennedy

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