



# Report On Industry



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

Volume 3, Issue 3  
June 2006

[Subscribe/Unsubscribe](#)  
[Forward to a Colleague](#)

Dear Subscriber:

Sponsored by:

Welcome to the June issue of *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](mailto:industry@cica.ca). To view our privacy policy, go to [www.cica.ca](http://www.cica.ca).




---

## In this Issue

If you are experiencing difficulty with the links, please [click here](#) to access the online version of *Report on Industry*.

### Trends and Views

- [Tapping into Emerging 50+ Market](#)
- [Cost Advantages in Location](#)
- [Small Business in Western Canada Soars](#)

### Legal Matters

- [Preparing for the GST Reduction](#)

### U.S. Monitor

### Standards and Regulations

- [Survey of Reported Canadian/U.S. GAAP Differences](#)

- [U.S. Pension Findings a Wake-up Call](#)

### Professional Resources

### Technology Matters

- [Capitalizing on Your Website](#)

- [The Manager's Step-by-Step Guide to Outsourcing](#)
- [Project Management](#)
- [Thinking for a Living](#)
- [The Canadian Apprenticeship Forum](#)
- [Preparing for a Pandemic](#)

### Fraud

- [Preventing Theft](#)
- [Is that \\$10 Bill Real or Counterfeit?](#)

### Continuing Education

- [CICA Annual Financial Reporting and Accounting Conference](#)
- [National Conference on Audit Committees](#)
- [The 17th World Congress of Accountants](#)

### Human Resources

- [Aligning the HR Function with the Organization's Goals](#)
- [Today's Accounting Graduates Better Prepared](#)
- [Apprenticeship Incentives](#)
- [Inspiring Higher Performance](#)

### Tapping into Emerging 50+ Market

By 2008, global consumer product and service companies will have to focus with ever greater savvy on serving the needs of a very different type of consumer: one that is age 50+ or older with shifting biological, psychological, social and economic characteristics and changing needs and expectations. To capture value from this market, companies will need to master new skills and lead the transformation of products and strategy to adapt to a changing marketplace.

The Deloitte research study, *Wealth with Wisdom: Serving the Needs of Aging Consumers* examines the new demands on businesses and provides a framework for profitably tapping into the emerging age 50+ markets.

[www.deloitte.com/dtt/cda/doc/content/US\\_CB\\_wealthwithwisdom\\_0106.pdf](http://www.deloitte.com/dtt/cda/doc/content/US_CB_wealthwithwisdom_0106.pdf)

---

### Cost Advantages in Location

The *2006 Competitive Alternatives* study, the most thorough comparison of international business costs that KPMG has ever undertaken, provides useful information for any company seeking a cost advantage in locating its business operations. The study compares business costs in nine industrial countries in North America, Europe and Asia Pacific. The basis for comparison is the after-tax cost of startup and operation, over a 10-year planning horizon.

For larger cities in Canada, Edmonton and Montreal rank as having the greatest cost advantages relative to the larger cities in the United States. Among the smaller cities examined, Canadian cities generally continue to offer lower cost structures than equivalent U.S. cities, even after allowing for the higher value of the Canadian dollar since 2004.

Read the Executive Summary at:

[www.competitivealternatives.com/highlights/default.html](http://www.competitivealternatives.com/highlights/default.html)

Full study results and executive summaries in nine languages are available for download at:

[www.competitivealternatives.com/download/default.asp](http://www.competitivealternatives.com/download/default.asp)

---

### Small Business in Western Canada Soars

The latest report from the Western Centre for Economic Research (WCER) underlines the much higher level of entrepreneurial activity in the West compared with the rest of Canada, particularly in the area of small business development. New ventures measured on a per capita basis were 77% more frequent in the West. Read *Revisiting Portraits* at:

[www.bus.ualberta.ca/wcer/pdf/86eng.pdf](http://www.bus.ualberta.ca/wcer/pdf/86eng.pdf)

---

[Return to top](#)

---

## STANDARDS AND REGULATIONS



### Survey of Reported Canadian/U.S. GAAP Differences

AcSB staff have prepared a report analyzing the results of reported Canadian/U.S. GAAP differences in a survey of 150 public Canadian companies for fiscal years ending in 2004. The survey outlines several reasons for the persistence of reported differences such as economic circumstances and transitional effects. To read the *Summary of Survey of Canadian Annual Reports for Years Ending in 2004*, go to:

[www.acsbcanda.org/multimedia/Download\\_Library/Standards/Accounting/English/e\\_CdnUSGAAPDif.pdf](http://www.acsbcanda.org/multimedia/Download_Library/Standards/Accounting/English/e_CdnUSGAAPDif.pdf)

---

[Return to top](#)

## TECHNOLOGY MATTERS



### Capitalizing on Your Website

Having an effective website is one of the most important elements of e-business. Industry Canada's *Building and Maintaining a Website* provides practical information on topics such as copyright considerations, best practice web design, content management, usability testing, web distractions, website optimization and much more that can help you ensure your website gets the results you want.

<http://strategis.ic.gc.ca/epic/internet/inee-ef.nsf/en/ee00747e.html>

---

[Return to top](#)

## FRAUD



### Preventing Theft

A small business can lose a great deal of money from theft. Even though you cannot eliminate this risk entirely, you can take positive steps to keep it to a minimum. For practical steps for minimizing the risks of employee embezzlement and pilferage, shoplifting, burglary and robbery, see *Preventing Theft* at:

[www.cbcs.org/servlet/ContentServer?pagename=CBSC\\_ON%2Fdisplay&lang=en&cid=1081945276241&c=GuideFactSheet](http://www.cbcs.org/servlet/ContentServer?pagename=CBSC_ON%2Fdisplay&lang=en&cid=1081945276241&c=GuideFactSheet)

### Is that \$10 Bill Real or Counterfeit?

How do you know if a bill is genuine? Counterfeiting in Canada includes not only the manufacture of false bank notes, but also forged credit cards, traveller's cheques, passports, and various identity documents. For tips on security features on banknotes and other preventative measures against counterfeit transactions, visit:

[www.rcmp.ca/scams/counter2\\_e.htm](http://www.rcmp.ca/scams/counter2_e.htm)

---

[Return to top](#)

---



### Aligning the HR Function with the Organization's Goals

The growing interest in the contribution of Human Resources (HR) to business performance is evident in the prevalence of transformation efforts and companies' increased investment in them. Their foremost objective is to align the HR function with the organization's goals — making it a strategic contributor and more responsive to today's dynamic business climate. However, the HR function still faces key challenges in its quest to be aligned integrally with the organization's strategic planning and leadership.

Read the Mercer report *Unfinished Business: Mastering HR Business Design* at:

[www.workinfo.com/free/downloads/TransformationReport.pdf](http://www.workinfo.com/free/downloads/TransformationReport.pdf)

---

### Today's Accounting Graduates Better Prepared

The academic world is doing its part to groom future professionals for the new business environment, according to a recent survey by Accountemps. Seventy-one percent of chief financial officers (CFOs) polled said today's accounting graduates are equally or more prepared for their careers compared to those entering the field 10 years ago. Read *Ready for the Real World* at:

[www.nextgenaccountant.com/press\\_release2.html](http://www.nextgenaccountant.com/press_release2.html)

---

### Apprenticeship Incentives

Training, talent, profit — an apprenticeship program is an investment in a company's future. As an added incentive, the recent Federal Budget proposed to introduce an Apprenticeship Job Creation tax credit on salaries paid to qualifying apprentices. Some provinces also have similar apprenticeship tax credits in place.

Canada's Careers in Trades website offers a free 13-page *Employer Toolkit* providing step-by-step guidance for businesses who are considering making apprenticeship a key part of their human resource planning. To download a copy, go to:

[www.careersintrades.ca/resources/pdf/EmployerToolkitENG.pdf](http://www.careersintrades.ca/resources/pdf/EmployerToolkitENG.pdf)

See also:

[The Canadian Apprenticeship Forum](http://TheCanadianApprenticeshipForum)

---

### Inspiring Higher Performance

Greg Schinkel combines his experience and expertise as a private pilot and a business leader in this three-part series to share proven strategies for enhancing your leadership style and approach to increase your team's performance:

*Bus Driver, Fighter Pilot or Airline Captain* — The link between the four forces of flight and your approach to leadership.

[www.uniquedevelopment.com/pdf/BusDriverorAirlineCaptain.pdf](http://www.uniquedevelopment.com/pdf/BusDriverorAirlineCaptain.pdf)

*This is Your Captain Speaking* — Communication strategies to get your team moving in the direction you desire.

[www.uniquedevelopment.com/pdf/Thisisyourcaptainspeaking.pdf](http://www.uniquedevelopment.com/pdf/Thisisyourcaptainspeaking.pdf)

*Reset Your Altimeter to Achieve High Altitude Performance* — How to increase team performance by increasing your expectations and goals.

[www.uniquedevelopment.com/pdf/AltitudeandPerformance.pdf](http://www.uniquedevelopment.com/pdf/AltitudeandPerformance.pdf)

---

## LEGAL MATTERS



### Preparing for the GST Reduction

The Federal government recently announced a 1% reduction in the Canadian Federal Goods and Service Tax from 7% to 6% effective July 1, 2006. Fasken Martineau's latest taxation bulletin reviews the key points that businesses will need to consider regarding the rate change and the transition to the lower rate, as well as changes to other Canadian sales taxes announced in the 2006 Canadian Federal Budget. See *The GST Reduction – What You Need to Know* at:

[www.fasken.com/TaxationBulletin/May06](http://www.fasken.com/TaxationBulletin/May06)

---

[Return to top](#)

---

## U.S. MONITOR



### U.S. Pension Findings a Wake-up Call

The vast majority of CPAs serving as corporate CEOs, CFOs, Controllers and in other executive positions believe American companies can't continue providing pensions that adequately cover their employees' retirement years, according to the results of a recent survey by the American Institute of Certified Public Accountants (AICPA). Moreover, many CPA executives believe reductions in pension benefits pose a threat to a company's ability to attract and retain the talent they need to compete.

Fifty-seven percent of the 3,100 CPA decision-makers responding to the survey believe the rising healthcare costs are the biggest barrier to a company's ability to offer pension benefits. While more than half indicated that the erosion of these benefits would hurt recruiting and retention efforts, nearly a third said the pressures to compete in the marketplace outweighed the pressures to provide retirement benefits.

Read *Executive Suite Says U.S. Companies can't continue offering Adequate Pensions* in the AICPA News Update at:

[www.aicpa.org/info/aicpa\\_update\\_161.htm](http://www.aicpa.org/info/aicpa_update_161.htm)

---

[Return to top](#)

---

### The Manager's Step-by-Step Guide to Outsourcing

By Linda Dominguez

Publisher: McGraw-Hill Ryerson

*The Manager's Step-by-Step Guide to Outsourcing* presents a clear, detailed method for effectively planning and executing an outsourcing strategy in any company, large or small. Top Fortune 500 consultant Linda Dominguez provides all the tools you need to achieve successful, real-world implementation, giving you the power to cut costs, increase efficiency and productivity, generate higher returns and stay ahead of your competition.

[Click here for more information.](#)

---

### Project Management

By William Pinkerton

Publisher: McGraw-Hill Ryerson

In business, every brilliant idea must first answer a simple question before approval or implementation: How will it impact the bottom line? If overseeing capital improvement projects from conception to completion is part of your work, *Project Management: Achieving Project Bottom-Line Success* offers the practical techniques, proven methods and case studies that can help you successfully devise, plan and implement sound, dollar-wise projects that will reap tangible bottom-line benefits.

[Click here for more information.](#)

---

### Thinking for a Living

How to Get Better Performances and Results from Knowledge Workers

By Thomas H. Davenport

Publisher: Harvard Business School Press

Knowledge workers create the innovations and strategies that keep their firms competitive and the economy healthy. Based on extensive research, *Thinking for a Living* provides rich insights into how knowledge workers think, how they accomplish tasks and what motivates them to excel. Davenport identifies four major categories of knowledge workers and presents a unique framework for matching specific types of workers with the management strategies that yield the greatest performance.

[Click here for more information.](#)

---

Online Resources

### The Canadian Apprenticeship Forum

The website of the Canadian Apprenticeship Forum (CAF) provides a comprehensive inventory of information on apprenticeship training across Canada. Employers who are hiring apprentices and managing their on-the-job experience can find resources specific to a trade and province/territory at:

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

---

## Online Resources

### Preparing for a Pandemic

In the event of a major global flu pandemic, proactive planning will be critical to minimize disruption of business continuity and protect the health and well-being of employees. Mercer's dedicated avian flu website provides companies with a range of resources to assist them in preparing for the possibility of a flu pandemic.

In addition, the white paper *The Emerging Global Pandemic: Human Resource Implications* can be downloaded for free to further your understanding of the scope of this threat and the steps your organization can take to develop and implement strategies essential to business continuity.

[www.mercerhr.com/knowledgecenter/reportssummary.jhtml/dynamic/idContent/1207955;jsessionid=TJ5HFFZX2RVGMCTGOUFCHPQKMZ0QUI2C](http://www.mercerhr.com/knowledgecenter/reportssummary.jhtml/dynamic/idContent/1207955;jsessionid=TJ5HFFZX2RVGMCTGOUFCHPQKMZ0QUI2C)

### Canada Health Updates

Keep up with the latest news on avian influenza at Canada Health's website.

[www.hc-sc.gc.ca/dc-ma/avia/index\\_e.html](http://www.hc-sc.gc.ca/dc-ma/avia/index_e.html)

---

[Return to top](#)

## CONTINUING EDUCATION



### CICA Annual Financial Reporting and Accounting Conference

September 11-12, 2006, Toronto, Ontario

This all new conference features a productive mix of keynote addresses, case studies delivered by users, independent analysis, and informative vendor panels. The Showcase will bring together the most important IT vendors, solution providers and suppliers, with IT decision makers in industry and government, and practicing CAs – the de facto IT decision makers for thousands of small and medium-sized businesses across Canada.

[www.cica.ca/Index.cfm/ci\\_id/1146/la\\_id/1.htm](http://www.cica.ca/Index.cfm/ci_id/1146/la_id/1.htm)

### National Conference on Audit Committees

September 17-19, 2006, Toronto, ON

A comprehensive two-day conference featuring leading-edge sessions on the issues confronting Directors and Boards in setting up and maintaining a first-class Audit Committee.

The conference will feature keynote addresses, plenary and concurrent sessions, and audit committee roundtables – all delivered by experienced and knowledgeable professionals from across the country. The sessions are designed to orient existing and future audit committee members to the new reality – providing knowledge, insight, practical perspectives and best practices around roles and responsibilities, charters, financial reporting and corporate law developments, integrity and ethics, internal controls, assurance and accounting standards, and current regulatory issues.

[www.cica.ca/index.cfm/ci\\_id/24514/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/24514/la_id/1.htm)

---

# The 17th World Congress of Accountants

November 13-16 2006, Istanbul, Turkey

The 17th World Congress of Accountants will be held in Istanbul at the Istanbul Convention & Exhibition Center (ICEC), November 13-16, 2006. The World Congress of Accountants is organized every four years in a different country by the IFAC – International Federation of Accountants. It is estimated that 5,000 delegates – including professional accountants, international regulators, standard setters, government officials and corporate leaders and the leadership of the international accountancy profession – will attend the WCOA 2006 Congress.

This year's congress, *Generating Economic Growth and Stability Worldwide*, will focus on protecting investors by improving the accuracy and reliability of corporate disclosures. For more information, visit the WCOA website:

[www.wcoa2006istanbul.org.tr/](http://www.wcoa2006istanbul.org.tr/)

## Visit the *Report on Industry* Online Archives

Visit the *Report on Industry* archives now to catch up on any prior issues you may have missed.

[www.cica.ca/index.cfm/ci\\_id/25048/la\\_id/1.htm](http://www.cica.ca/index.cfm/ci_id/25048/la_id/1.htm)

[Return to top](#)

We value your feedback. Please send your comments or suggestions for future issues to [industry@cica.ca](mailto:industry@cica.ca)

*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.

If you no longer wish to receive this newsletter, or have received it in error, please [click here](#).



**The Canadian Institute of Chartered Accountants**  
277 Wellington Street West  
Toronto, Ontario M5V 3H2, Canada  
Tel. 416-977-3222  
Fax: 416-204-3414

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

© 2006 CICA