

SIMON FRASER UNIVERSITY

S.05-98

Senate Committee on University Priorities Memorandum

TO: Senate

FROM: John Waterhouse
Chair, SCUP
Vice President, Academic

RE: CMA Centre for Strategic Change
And Performance Measurement
(SCUP 05-025)

DATE: August 25, 2005

Attached is the proposal for the establishment of the CMA Centre for Strategic Change and Performance Management submitted for consideration by Dr. Ernie Love, Dean, Faculty of Business Administration. This will be a Schedule A Centre reporting to the Dean of the Faculty Business Administration in accordance with Policy R 40.01.

The Senate Committee on University Priorities reviewed the proposal at its March 23, 2005 meeting, at which time it was approved. Once approved by Senate, the proposal will be submitted to the Board of Governors.

Motion:

That Senate approve and recommend to the Board of Governors the establishment of the CMA Centre for Strategic Change and Performance Measurement as a Schedule A Centre under Policy R 40.01.

Attach.

- c. M. Pinto, VP Research
E. Love, Dean, Faculty of Business Administration

Constitution for the Proposed

Centre for Strategic Change and Performance Measurement (in accordance with University Policy R40.01)

Faculty of Business Administration, Simon Fraser University

July 6, 2005

(a) Statement of Purpose

Mission

The purpose of the Centre is to promote research and knowledge dissemination as to how organizations plan and execute strategic change, and how best to measure the performance of organizations undergoing such change.

Funded by the Certified Management Accountants (CMA) of Canada, the Centre for Strategic Change and Performance Measurement will conduct research into three broad yet highly interrelated themes:

1. Strategic change and the execution of strategic change
2. Appropriate measurements for the evaluation of the performance of such changes
3. The evolution of organizations undergoing rapid change

The Centre will pursue both the development of new knowledge in these areas and its dissemination to both academic and practitioner audiences. The Centre will support individual and team-based research on organizational change, contribute to the training of new researchers, and foster connections among researchers working in these areas. It will sponsor occasional conferences and forums on change management for both researchers and managers. The Centre will also facilitate opportunities for SFU students to learn about and apply their knowledge of strategic change and performance measurement.

Vision

Overall, the Centre's vision is to assist organizational leaders and managers in acquiring the skills and tools necessary to plan and execute strategic change that will result in improved organizational performance.

Rationale

The purpose and vision of the Centre are premised on the recognition that for contemporary organizations, effectively managing and measuring strategic change are critical capabilities. Technological, social, political, and demographic factors dictate that organizations must be able to effectively evaluate their performance and adjust their strategies and structures on an ongoing basis. Central to processes of strategic change is the management of inter-organizational relationships. Managing change increasingly means managing relations across organizational boundaries as alliances, networks and collaborations are used to resolve issues and problems too complex for individual organizations. This increases the importance of leadership, since often strategic changes go beyond any form of direct, hierarchical control.

Critical to successful identification and deployment of any strategic change is the need to establish appropriate performance metrics. This is vital so that it becomes clear where the strategic change has been successful, where further changes are called for, and when to abandon particular projects. Appropriate performance measurements often extend well beyond the use of traditional financial data. Frequently, the more difficult cultural issues of organizational learning and motivation require the articulation of measures that capture the dynamics of multiple, often competing, constituents and organizational goals.

(b) Appointment of a Director

A faculty member from the Faculty of Business Administration will be appointed by the Dean to serve as the Director of the Centre for a two year term (renewable).

(c) Applicable Schedule

The Centre will be governed by SFU Policy R 40.01 for Schedule A Centres and Institutes. The Director will report annually to the Dean on the activities of the Centre who in turn will report to the University's Governing Committee for Centres, in accordance with Policy R 40.01.

Membership in the Centre will be recommended by the Director and approved by the Dean of Business Administration.

(d) Obligation of the Centre

All activities conducted within the Centre will conform to University policies.

Funding

Funding of the research and outreach activities of the Centre is provided by CMA Canada.

(e) Internal Governing of the Centre

The Centre will be guided by an advisory board consisting of six individuals, plus two non-voting staff – one from CMA Canada and one from the Faculty of Business Administration. CMA Canada will appoint three of the members of the Advisory Board and the Faculty of Business Administration will appoint the other three. A Chair will be elected from the members of the Board. The Chair of the Advisory Board, if different from the Director of the Centre, will propose to the Director the plan of activities envisioned for each year. The Director will ensure that any such proposed activities are consistent with University policies.

An annual report on the Centre's activities along with financial statements will be prepared by the Director and submitted to the Dean by June 30th of each year.

The Memorandum of Understanding detailing the Contribution Agreement pursuant to this Constitution is attached for information.

The proposed list of members are:

Tom Lawrence
Dave Thomas
Danny Shapiro
Elicia Maine
Maureen Fizzell
Johnny Jermias
Blaize Reich
Peter Klein
Mark Wexler
Carolyn Egri
Ian McCarthy
Aidan Vining

3 CMA designates (most likely 1 from CMA Canada, 1 from CMA-BC, plus one more)

Signed,

Ernie Love
Dean, Faculty of Business Administration

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (the "Agreement") is effective as of the 7th day of July, 2005

BETWEEN:

SIMON FRASER UNIVERSITY, a corporation continued under the *University Act* of British Columbia, and having offices at Room 2100 Strand Hall, 8888 University Drive, Burnaby, British Columbia, Canada V5A 1S6, ("SFU");

AND

CERTIFIED MANAGEMENT ACCOUNTANTS OF CANADA (CMA), a corporation incorporated under the laws of the Canada, and having offices at One Robert Speck Parkway, Mississauga, Ontario L4Z 3M3, ("CMA Canada").

Introduction

This agreement between CMA Canada and Simon Fraser University, through its Faculty of Business Administration, provides a framework whereby the two organizations can collaborate on research and knowledge dissemination in the area of strategic change and performance measurement. Specifically, the partnership is intended to:

- Provide opportunities for research collaboration on strategic change and its execution.
- Maximize research and development efficiency in the practice of strategic performance measurement, leadership and change management.
- Provide opportunities to pool expertise and resources for major investments on a scale that could not be attempted if undertaken individually.

In support of these three broad, multi-disciplinary and interrelated themes, CMA Canada will provide advice when requested, and financial support; specifically \$1,000,000 over 10 years in annual instalments of \$100,000, for the creation and operation of a Centre in Strategic Change and Performance Measurement ("Centre") within the Faculty of Business Administration at Simon Fraser University.

1 6.

July 7, 2005

Objectives of CMA Canada

The objectives of CMA Canada in providing the funding to establish the Centre are to:

- Provide CMA Canada with a leading edge research capability in the area of strategic change and performance measurement.
- Expand the boundaries of management accounting with a specific focus on the application of management accounting to strategic change, its execution, and the use of appropriate measures of performance.
- Better understand the relationship between leadership and change management.
- Ensure CMAs have access to leading-edge programs designed to enhance the ability of potential and current CMAs to meet the needs of organizations involved in strategic change and its implementation.
- Build stronger relationships among CMA Canada, Simon Fraser University and the regional business community in the lower mainland region of British Columbia.

Objectives of Simon Fraser University

The objectives of Simon Fraser University in establishing the Centre are to be a premier Canadian institution in the exploration of strategic change and its implementation, to create new approaches to business education and to build the economies of British Columbia and Canada through teaching, research and practitioner support. The Centre will have four primary objectives:

- Promote research into how organizations plan and execute strategic change, and how best to measure the performance of organizations undergoing such change.
- Promote the dissemination of knowledge on this topic.
- Provide opportunities for students of Simon Fraser University to work in the areas of strategic change and performance measurement. Together with the Vancouver business community, the Centre will aim to facilitate opportunities such as MBA projects and internships, undergraduate co-op placements, mentoring programs and interaction with executives-in-residence.
- Provide support for the business community in downtown Vancouver with respect to their strategic change and performance measurement needs.

An Advisory Board will be established for the Centre. The role of the Board will be to aid in the shaping of the direction of the Centre, to provide advice on setting its priorities, and to ensure the assignment of copyright.

The Board will be made up of six individuals plus two non-voting staff – one from CMA Canada and one from the Faculty of Business Administration. CMA Canada will appoint three of the members of the Advisory Board and the Faculty of Business Administration will appoint the other three. A chair will be elected from the members of the Board.

Obligations

CMA Canada agrees to pay SFU the total amount of \$1,000,000, to be paid in annual instalments of \$100,000. The first such annual instalment will be payable on the execution of this Agreement, with each subsequent annual instalment to be paid on the anniversary date of the effective date of this Agreement. SFU will use the funds toward the creation and operation of the Centre.

In recognition of the annual contribution of \$100,000 to the Centre from CMA Canada, and in order to achieve the mutual objectives of the Centre, the following are agreed to:

- **Signage** – the contribution of CMA Canada will be recognized by the appropriate signage within the physical space of the Centre. The signage will be agreed to by Simon Fraser University and CMA Canada.
- **Publications, Conferences and Seminars** – there will be one conference event each year targeted at businesses in the Vancouver area to attract business people from the Lower Mainland and will include one plenary session on strategic performance measurement. CMAs and CMA students will be entitled to a 10% discount off the price of such conferences and seminars. These sessions would also be open to students from Simon Fraser University. CMA Canada will be identified as “the” or “one of the” major sponsors for these conferences and seminars. Such outreach activities would commence approximately one year from the signing of the memorandum of understanding.
- **Networking Opportunities** – the Centre will facilitate networking between CMAs and businesses in the Vancouver area on issues related to the practice of strategic change and strategic performance measurement. CMA Canada and the Faculty of Business Administration will promote this networking opportunity. It is anticipated that these networking opportunities will commence in the second year of the agreement.

Other Issues

1. CMA Canada agrees not to enter into an agreement with any other Canadian university regarding the formation of a Centre in Strategic Change and Performance Measurement, and Simon Fraser University agrees not to enter into a similar agreement with any other Canadian professional accounting body during the term of this Agreement.
2. The Centre will financially support a range of research projects and other activities that lead to the production of intellectual property. Any such project or activity is herein referred to as the **Work**. The Advisory Board of the Centre may identify projects or activities for which it will seek to have copyright of the **Work** assigned to CMA Canada. It is the responsibility of the Advisory Board to identify the author(s) for any such **Work**. Prior to approval of the development of such **Work**, the Board must ensure that any author(s), in agreeing to develop such **Work** on behalf of the Centre, has assigned copyright of the **Work** to CMA Canada.
3. Notwithstanding any such arrangements, the author(s) retains the right to reuse all or part of the material in the **Work**, with proper attribution to CMA Canada. Such reuse may include, but is not limited to academic journal articles, development of textbooks or research monographs, and development of educational materials for which the material contained in the **Work** is germane. CMA Canada recognizes that such reuse can often require the assignment of copyright of such material to another party such as a publisher.
4. Neither CMA Canada nor the author of the **Work** will in any way attempt to restrict the Faculty of Business Administration and Simon Fraser University from publishing or distributing these materials in any non-commercial manner that supports the objectives of the University. Likewise the Faculty of Business Administration or Simon Fraser University may quote portions of the **Work** in non-commercial publications. It is expected that proper attribution to CMA Canada will be forthcoming in all such uses.
5. Should it be in its interest, CMA Canada may publish the approved **Work** at its own expense, in the style and manner that it shall deem best suited, and to issue the **Work** under CMA Canada's imprint. The extent and manner of the use and distribution of the **Work** shall be entirely within the discretion of CMA Canada. The parties agree that CMA Canada shall be entitled to all revenue derived from any and all such uses and distribution of the approved **Work** and that CMA Canada shall have no liability to the Author in such exploitations.
6. For the purpose of promoting programs and services available through the Centre, CMA member contact can be made either through CMA Canada or CMA-BC, as appropriate.
7. Either party may terminate this Agreement with written notice to the other party of such action twelve months before termination. No further obligation

for operational expenses of the Centre will be borne by CMA Canada subsequent to the twelve-month termination period.

8. In the event of termination by CMA Canada, CMA agrees to continue financial support of the Centre's activities during the wind-down period (12 months following the notice of termination) to provide a smooth transition and closing of the Centre. Such financial support will not exceed \$60,000 total from the notice of termination.
9. In the event of termination by Simon Fraser University, Simon Fraser University agrees to make every effort to complete all outstanding Board-approved **Work**. Outstanding Board-approved **Work** will not be completed outside of the Centre. Further, in such a circumstance, Simon Fraser University will discontinue the use of the name 'Centre for Strategic Change and Performance Measurement' unless written permission is received from CMA Canada to the contrary.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement on the dates set forth below to be effective as of the date first above written.

SIGNED FOR AND ON BEHALF OF
SIMON FRASER UNIVERSITY by:

SIGNED FOR AND ON BEHALF OF
CMA CANADA by:

Cathy Daminato,
Vice President, University Advancement
Simon Fraser University

Steve Vieweg,
President & CEO
CMA Canada

Date:

Date:

John Waterhouse,
Vice President, Academic
Simon Fraser University

Date:

Ernie Love,
Dean, Faculty of Business Administration
Simon Fraser University

Date: