



Balogun Badejo & Co (Chartered Accountants)

BALOGUN BADEJO & Co (BBC) and Loubser Du Plessis (LDP) partners on IFRS training

Helping you achieve

In our last edition, we informed you of the IFRS training to be organized by BBC. The training was conducted in conjunction with a member of IGAF Polaris, Loubser Du Plessis (LDP), a South African firm of Chartered Accountants with vast experience in IFRS training, adoption and implementation.

The training was held at the Osun Hall of the Airport Hotel, Ikeja, Lagos on 5–7 September, 2011.

Mr. Allan Lombard representing Loubser Du Plessis did justice to different IFRS options and their relationship with IASs.

Other facilitators also contributed immensely to the overall success of the training programme, such as Messrs. J. O. Obogwu and A. M. Adetuyi—both partners with Balogun Badejo & Co. and Mrs. Omodunni Yussuff delivered their papers with so much enthusiasm.

LDP is one of the best IFRS training firms in South Africa with a rich clientele of blue-chip companies in and around South Africa.

This strategic partnership is hinged on providing quality training to Nigerian companies to keep them abreast of the latest adoption and implementation strategies to enhance compliance with the Government and regulators' directives.

The workshop was attended by participants from different organizations and they were impressed with the quality of the training programme.

We look forward to organizing more of such programmes to assist organizations in their compliance drive with IFRS as mandated by the Federal Government of Nigeria.

BBC—Newsletter

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"BBC and LDP form strategic partnership on training in IFRS. The training programme took place at the Osun Hall, Airport Hotel, Ikeja, Lagos on 5–7 September, 2011.

The Role of HR In Uncertain Times

► MANAGEMENT ARTICLE



“HR is being stretched and pulled in all ways to meet challenging goals within unprecedented resource constraints.”

The current business environment is demanding a great deal of workers around the globe.

The practice of doing “more with less” has become the modus operandi in most businesses and business areas, perhaps nowhere more so than in human resources (HR) divisions.

HR is being stretched and pulled in all ways to meet challenging goals within unprecedented resource constraints.

This article examines how HR organizations are navigating this grueling business climate; the obstacles and challenges they face; and the areas in which they might find opportunities to develop and be more widely recognized as business-critical partners. In March 2011 the Economist Intelligence Unit conducted a global survey on human resources during an economic downturn. The major findings are as follows:

There are diverging perspectives between those working in the HR function and those elsewhere in the organisation regarding the strategies and goals of human resources.

Sixty-six percent of HR respondents say they have identified opportunities to streamline processes and cut costs; just 49% of non-HR respondents, however, agree. Likewise, HR’s perception of the strategic role it plays in the organisation both now and in the coming years diverges from that of non-HR: 50% of HR respondents say that HR will play a more strategic role in the business than previously compared with 31% of non-HR respondents.

The biggest challenge the human resources function faces is to better align itself with the needs of the business.

Survey respondents say that the biggest hurdles for HR are an inadequate understanding of the relationship between workforce reduction and business goals (39%) and of critical skill sets in the organisation (39%). This might be a result of a lack of communication of company goals on the part of senior management. Yet the neutral or negative perception of HR’s contributions at certain organizations could be mitigated by more overt displays of its knowledge of the business, particularly as it has the potential to play a key role during the downturn.

Performance management is viewed as a top priority for human resources across regions, functions and titles.

Thirty-nine percent (39%) of survey respondents say performance management is a top priority at their organisation and forty-three percent (43%) say it should be. Respondents overall cite the importance of evaluating performance with quantifiable metrics. Fifty-six percent (56%) of survey respondents (66% from the HR function) say their firms have implemented or are in the process of implementing a quantitative, metrics-based, performance management programme. A whopping ninety-four (94%) of respondents say their HR organizations has developed or is in the process of developing such a programme.

Boosting productivity without increasing costs requires a combination of employee development programmes and process improvements.

Survey respondents cite four methods that are about equally successful in gaining additional productivity from employees without raising compensation costs: creating additional training programmes (44%), adopting more efficient methods of service delivery (44%), adopting more quantified and/or stringent performance evaluations (47%) and adopting mentoring programmes (47%).

Source: The Economist Intelligence Unit



The current business environment is demanding a great deal of workers around the globe.

Understanding IFRS

International Financial Reporting Standards (IFRSs) are a single set of globally accepted high-quality accounting standards. They are issued by the International Accounting Standards Board (IASB) in London, UK. The Board consists of 14 members from around the world.

IFRS and Nigerian GAAP

Like Nigerian GAAP, International Financial Reporting Standards (IFRSs) are generally principles-based. IFRS provide entities with more accounting policy choices, and applying them will require greater use of professional judgment than Nigerian GAAP.

In some cases, IFRS will lead to the same or similar conclusions as Nigerian GAAP. The Nigerian Stock Exchange (NSE) has urged quoted Companies to comply with the adoption of the International Financial Reporting Standards (IFRS) by 2011. Central Bank of Nigeria has told Nigerian banks to adopt the International Financial Reporting Standards by December 2010.

Companies will therefore need to take the necessary time to identify the anticipated impact on their financial reporting of adopting IFRS and develop effective plans for making the change, in order to meet the requirement to disclose their transition plans in their 2008 annual filing.

For us at Balogun Badejo & Co. (Chartered Accountants), we are Compliant with IFRS through our seasoned professionals.

Our clients can look forward to quality training programmes on IFRS to avoid falling foul of the law.

Two Senior Partners of Balogun Badejo & Co proceed on 6-month pre-retirement leave

In consonance with the firm's policy, two senior partners of the firm, Mr. Philip O. Oluwi (Managing Partner) & Chief Michael O. Oladotun embark on pre-retirement leave with effect from 1 October, 2011 after attaining the requisite age of sixty (60) and having put in 38 and 34 years respectively into the practice.

Dr. J. O. Asaolu has been appointed as the Acting Managing Partner as Mr. P. O. Oluwi proceeds on pre-retirement leave effective from 1 October, 2011.

Despite the pre-retirement leave of two senior partners of our firm, clients should look forward to continued quality professional services from our firm.

**We are IFRS
Compliant at BBc
and our Clients can
look forward to
quality training**

**Mr. Oluwi (Managing
Partner) and Chief
Oladotun embark on
6 month pre-
retirement leave in
consonance with the
Firm's policy.**

Time to implement Balanced Scorecard - for all companies from small to industry-leading

We mean that Balanced Scorecard gives companies and organizations the decision support they want and need at the right point in time.

Unfortunately, the majority of companies and organizations still hold the delusion that they can monitor the organization with budgeting and other traditional methods. It is time to acknowledge that without modern methodologies to run and monitor their organization, these companies face the risk of falling behind and losing Competitive advantages when compared to their competitors.

The competent personnel of today demand a different form of steering than giving orders. As the development goes towards knowledge based organizations and organizational forms based on networks, it isn't enough to state what you are planning to do. You have to show what you want to achieve in order to create spontaneous work in that direction. Consequently, managers today look for new ways to describe and steer their businesses.

One methodology that has already reached a major break through today in Sweden as well as internationally, is the Balanced Scorecard.

What is the Balanced Scorecard?

Balanced Scorecard is a methodology developed by Messrs. Kaplan and Norton (the methodology was presented for the first time in Harvard Business Review in 1992), which aims to steer a business with the help of measures beyond the traditional and financial measures.

Rather than simple following up on what has already happened, you want to be able to steer the business in a more forward-looking manner. With the Balanced Scorecard you get the possibility to navigate the business from different perspectives and time dimensions. In this way, you can create an understanding for the whole picture within the organization.

In principle, the Balanced Scorecard is about:

- giving a strategic direction to the business navigation
- getting a more relevant and structured navigation
- giving a clear picture to everyone about the purpose of their performance
- raising respect for the notion that not everything that exists is money; everything does not generate further revenue - enabling discussions on how investments in e.g. keep-fit measures and the environment give future dividends
- complementing traditional accounting with non-financial information – presenting and steering the intellectual capital or e.g. environmental effects

What does a scorecard look like? The scorecard can be seen as a pyramid breaking down the vision in smaller pieces.

Vision: The overall goal that the company has. It describes where the organization is heading to. What do we want to accomplish?

Strategy: Describes how we get there and how we use the resources in the company to achieve the vision. How do we get there?

Perspectives: Describe the areas that we should focus on to reach the defined company strategies. Which perspectives should we focus on?

Critical Success Factors: Describe what is critical for us to perform well. What do we have to do well?

Measures: Describe what we should measure to secure the critical success factors. How do we measure that we are doing well?

Action Plans: Describe what steps should be initiated to be able to achieve our goals. What do we have to do?

To succeed with the implementation of the Balanced Scorecard, a number of different components must coincide. A good methodology and plan to implement the Balanced Scorecard is one of the cornerstones.

The methodology described in our book, To implement the Balanced Scorecard – a practical guidance, n contains seven different steps.

The four first steps involve the definition of the scorecard. That is, the breaking down of the vision into strategies, critical success factors, perspectives and measures. In the fifth step, the created scorecard is evaluated. In step number six, actions are initiated to plan and follow up on the scorecard.

Finally, a follow-up and updating routine is created in step number seven.

Carrying out this last step renders the scorecard a living tool in the organization.

Balanced Scorecard.... Aims to steer a business with the help of measures beyond the traditional and financial measures.