

SAS Activity-Based Management in the Universiti Utara Malaysia

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Accountants traditionally have been historians, recording what a company did and then comparing it to previous years. Now the Internet and the new economy are transitioning businesses to real time. It is as important for accountants today need to know what will happen tomorrow as it is for them to know what happened yesterday. As trusted financial advisors, accountants should be technologically competent as they intricately involved in the flow of information within business. They need to be well informed about the potential opportunities and challenges that IT provides to transform organizations. The growing demand for technologically savvy accountants has prompted Universiti Utara Malaysia (UUM) to be the pioneer university in Malaysia to offer a degree in Accounting (Information Systems) back in 1999.

The degree is specifically designed to produce accounting graduates, who are capable of evaluating IT issues in some depth and thereby bridging the information-technology gap. Graduates of this program are expected to be a part of systems-design teams, system-audit teams, risk-analysis and assurance teams, and similar professional jobs involving fairly high-level decision making, critical thinking, planning, development, and implementation of strategies employing technology to solve business problems. To achieve this, students are required to take nine systems-related courses, which include core Accounting Information System (AIS) knowledge, visual basic programming, database design concepts, systems analysis and design, systems auditing, and strategic information systems planning. The students are also exposed to the working knowledge

of several accounting, auditing and financial intelligence applications such as SAS Activity-Based Management (SAS ABM).

The program has integrated SAS ABM software into one of its AIS-related courses, named Accounting Information Systems and Management (course code KAS 3073) over the last three semesters. This course emphasizes the underlying concepts and applications of several recent business strategies and technology trends. Among the strategies discussed are Enterprise Resource Planning (ERP), Supply Chain Management (SCM), Customer Relationship Management (CRM), e-business and e-government, activity-based management, and IT governance. Discussions generally focus on why the technology is being used, the purpose it serves, and the characteristics of the technology that make it applicable for that purpose.

Every semester, between 100-150 students enroll in the course. While discussions of ERP, SCM and CRM center on how Online Transaction Processing System (OLTP) can help organizations gather important business data, the application of SAS ABM software focuses on Online Analytical Processing System (OLAP) for business decision making, using data collected via OLTP systems. The ABM topic constitutes 15% of the total teaching hours. Students are first introduced to the basic concept of Activity-Based Costing (ABC) as an important alternative costing methodology that can link financial and operational data to the strategic business plan as well as performance measures. For this purpose, students will be given a real case study for them to develop an ABC model. Then, using SAS ABM course notes, they are required to transform the paper model into a working model. At the end of the semester, students will be given a short quiz to test

their ABC and ABM knowledge and skills. Only those that pass the test will be given a SAS certificate produced by SAS Institute.

From experience, it is interesting to note that the integration of SAS ABM has given our students a broader perspective of accounting information systems, which traditionally have focused on historical and financial-related data. They now view businesses using a three-dimensional perspective, which combines financial, human resource and operational perspectives. While the students have been introduced to the ABC method in the Management Accounting course, the application of SAS ABM software has enabled them to appreciate the method more and they can better understand, using real data, what causes costs to exist, what drives costs and provides more relevant information for strategic decision making. Interestingly, one of our students who is now doing a practicum at iPerintis has successfully helped their design team developed a working ABM model for their company.

In addition to the undergraduate program, SAS ABM software is also introduced in one of the Master of Accounting courses, named Corporate Accounting Information Systems and Management (course code KAS 5023). To achieve this, we have also trained several lecturers to master the software. Considering the importance of ABM in today's businesses, our aim is to produce more students with ABM knowledge and skills, and for UUM to be viewed as a reference center for business intelligence.