



Focus on Certification Accreditation

What Does it Mean?

By Gary L. Diffendaffer, CFP®

Editor's note: The following is the debut of a regular Investments & Wealth Monitor column about IMCA's commitment to strengthen and add value to the CIMA® designation in part through third-party accreditation.

I've heard wide-ranging opinions from financial services professionals throughout my more than 20 years in the industry about the value of various designations. Indeed, financial credentials, designations, and certifications have proliferated in the past few decades, leading stakeholders to question how they can sort out which are legitimate. All stakeholders *should* question designation providers and a certification's rigor, reliability, and value because a certification must be more than letters after someone's name.

In working with credentialing organizations such as IMCA throughout the years, I see that the designation world is changing drastically. Leading certifiers are embracing higher standards, and consumer groups and regulators are paying more attention to designation validity. Many organizations have chosen to evolve and enhance their programs and add value to their designations through third-party accreditation. IMCA is one of those organizations.

Since 1985, high quality education has been paramount to IMCA's programs. The Certified Investment Management AnalystSM (CIMA®) designation program, taught by renowned professors and skilled volunteer professionals in conjunction with The Wharton School at the University of Pennsylvania and the Haas School of Business at the University of California, Berkeley, has a reputation as a credible designation for advanced investment management professionals. But to stay relevant in a changing environment, IMCA must take steps to protect and enhance the validity of the designation.

For the past couple years, IMCA has been preparing to apply for third-party accreditation of the CIMA designation. This requires changes to the program; changes that will build on the CIMA designation's solid foundation and will make a good designation stronger while increasing its value to stakeholders.



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To understand why accreditation adds value, it is important to be aware of how accreditation impacts a certification. Certification indicates that someone has met certain criteria and is qualified in a particular field. It applies appropriate, accepted, and rigorous standards that separate the qualified from the unqualified.

Accreditation of a certification is an official recognition that the certification process itself meets a standard. Accreditation helps assure

that a credential has validity. A certification program earns accreditation after extensive review from an independent third-party accrediting organization such as the American National Standards Institute or the National Commission for Certifying Agencies. IMCA is seeking third-party accreditation as a means of demonstrating and providing assurance of the CIMA designation's value to you and your clients. To become accredited, certification programs must meet specific stringent requirements.

As the concept of certification programs has evolved over the past few decades, the importance of the "Four E's" of experience, education, examination, and ethics, cannot be overstated. The accreditation process closely examines how a certification program is delivered through an open, transparent, fair, objective, and impartial process. By focusing on the Four E's, IMCA can maintain and enhance the value of the CIMA designation program.

One of the means that IMCA will use to obtain third-party accreditation is the development and delivery of a professional certification examination. To earn accreditation, a program's exams must utilize statistical tests or psychometric standards to demonstrate reliability and validity. An exam is reliable if it is repeatable with consistent scores; it is valid if it separates qualified from unqualified candidates.

A technically sound assessment instrument, such as an exam, is a fundamental requirement for an accredited certification. Indeed, validity and reliability are the empirical links between exam performance and job performance. Only a properly constructed exam can identify individuals who meet standards. This rigor can increase demand for the certification, but many stakeholders don't fully appreciate this connection, making accreditation from a third-

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party organization even more important and desirable. You will learn more about how IMCA's changes using the Four E's will add value to the CIMA designation program in future "Focus on Certification Accreditation" columns, but it also is important to realize that each designee can help maintain and protect the value of the designation.

IMCA and designees alike must be cognizant of conditions, events, and actions that may reduce the value of the CIMA designation. One example would be a weak examination process. That is why IMCA will conduct periodic reviews of the exam process, which is an accreditation requirement. Such reviews ensure consistency, reliability, and relevancy, and identify incompetence that would diminish certification value.

Likewise, IMCA must guard against misuse of the designation. Someone who misrepresents the designation by using it without earning it or after letting it lapse lessens its value for all who adhere to the requirements.

A designation's value has many facets. All stakeholders (designees, employers, certification organizations, and consumers) may positively and negatively impact designa-

tion value through actions, words, and deeds. By seeking third-party accreditation for a well-respected designation, IMCA is differentiating the CIMA designation from other programs that do not or cannot meet the standards of a changing world.

I look forward to sharing updates on IMCA's progress toward strengthening and adding value to the CIMA designation throughout 2009. This process is an important and necessary step toward establishing the CIMA designation's role as a valid and reliable credential for the financial services industry, and I appreciate your participation and support in helping us achieve a higher standard.

Gary L. Diffendaffer, CFP®, is IMCA's director of certification. He previously served as executive vice president and interim executive director of Certified Financial Planner Board of Standards, Inc. He has served as one of the American National Standards Institute's accredited assessors and was a financial planning practitioner. Contact him at gdiffendaffer@imca.org.

IMCA Thanks Former Board Members; Announces New Board Members for 2009

IMCA would like to extend a special thank-you to J. Richard Joyner, CPA, CIMA®, CFP®, CPWASM, Stuart S. Parker, CIMC®, and Bill C. Taylor, CIMA®, for their years of dedicated service on IMCA's board of directors.

IMCA has named the following three new members to its board of directors. Each new board member will serve a two-year term, which began January 1, 2009.

Anthony Davidow, CIMA®, is executive vice president and head of distribution for IndexIQ in Rye Brook, NY. Mr. Davidow is responsible for building and managing IndexIQ's distribution business. Mr. Davidow has been an IMCA member and a CIMA designee for 12 years, and he has served as the chair of IMCA's National

Conference Committee. Mr. Davidow earned a BBA in finance and investments from Bernard Baruch University.

Michael Dieschbourg, CIMA®, is president and chief executive officer of Global Currents Investment Management, a global and international equity firm that is a wholly owned subsidiary of Legg Mason, in Wilmington, DE. Mr. Dieschbourg has been an IMCA member since 1986 and a CIMA designee for 17 years. He has been a long-time volunteer on IMCA's Specialty Conference Committee. Mr. Dieschbourg earned a BBA from Loyola University of Chicago.

Margaret Towle, PhD, CPWASM, is a managing director of Greycourt & Co., Inc., in Portland, OR, where she provides financial advisory services to

wealthy families and select endowments. She is former chair of IMCA's Advisory Council and the *Investments & Wealth Monitor* Editorial Advisory Board. She received IMCA's 2006 Steven L. Kessler Writing Award. Dr. Towle earned BA, MA, and PhD degrees from the University of Washington-Seattle.

For more information about IMCA's 2009 board of directors, visit the "About" section of www.IMCA.org.