

Interim Management

Because business today moves so fast and is so competitive

Expert knowledge means success



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Note: This publication has not been updated since it was last published. Some of the hyperlinks may have changed and may need updating. In addition, some of the information in this publication may be out of date.

Introduction

In today's fast-moving business world, there's a growing demand for temporary, experienced, senior managers to carry out a specific assignment with a minimum learning curve but a maximum of achievement. These senior managers are called Interim Managers.

Interim Managers can considerably reduce the pressures on current management resources in a number of situations and allow normal business to operate whilst a particular problem is dealt with. It's obviously more sensible to take on an experienced expert for a short contract rather than go through the delays and/or the trauma of recruiting a full time executive or specialist.

Most Interim Managers have sufficient experience to take charge and adapt quickly to the different cultures in many companies and usually have excellent people skills, they bring new ideas to any situation and are effective in the work they do from the start of their assignment.

Because business today moves so fast and is so competitive, it's not unusual for key managers to leave their jobs, drawn by fresh opportunity and greater reward to move to other organisations. Often, the task of finding suitable replacements may be a long drawn-out affair. This is where the use of the skills of experienced managers on an interim basis can be an ideal quick-fix solution, providing essential continuity to business operations.

Interim managers need to be flexible, adaptable, creative, innovative, challenging, open-minded, energetic and professional. They need to show a track record of achievement, preferably within temporary assignments - they are usually contracted for a limited period to resolve specific business problems or carry out a specific project - for any period ranging from as short as one week up to 12 months or more.

Interim Management is one of the most significant resourcing tools of the next decade, enabling relatively short-term problems to be addressed whilst buying time

for longer-term options to be considered.

What is Interim Management?

The purpose of Interim Management is to supply an experienced executive to satisfy a short to medium term gap in an organisation's resource.

The creation of new posts may prove easier to plan than to fill. The interim manager offers the opportunity for timely strategy implementation whilst companies recruit for the longer term. Once the required knowledge is transferred to the organisation and the necessary changes have been implemented, the interim manager withdraws or if desired, he can help select and train his successor.

Senior Managers leave, become ill or, sadly, die. In such an event it may be necessary to get a professional to fill the empty role while alternatives are considered. But there's no need to take the first person that comes along when a senior vacancy occurs. Interim Management can be used to fill the gap whilst a long-term strategy is developed - it can help develop your business whilst your own staff recover or you decide on the long-term course of action you wish to take. Similarly, if you have short term or seasonal projects that need managing then this is where interim managers can help, without your incurring a long-term liability.

Restructuring and downsizing have made businesses slimmer and fitter but, at the same time, have left many exposed in the event of a crisis - when trouble strikes, many businesses are often unable to find the necessary skills within their own organisation or, if they are available, cannot be redeployed for sufficient time without serious impact on other operations or projects. Perhaps finance directors are more fortunate than other managers are since they can call on their professional advisers for some back-up assistance.

The major re-structuring in businesses in the last quarter century - from up-sizing through down-sizing to right-sizing - has left some organisations with glaring gaps at certain senior management levels.

*"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."
Charles Darwin*

Interim management allows for acquisition of high-calibre business experts on a short-term basis, where they can immediately add value, benefit and advantage to the client's business for:

- Special projects or relief management.
- Continuity where recruiting a new manager may take many months. During this period an interim executive provides continuity while relieving the pressure to make a hurried appointment.
- Change and recovery, which is usually a short-term activity needing specialised implementation and management through to completion.
- Expansion and growth, where it may be important not to recruit too soon but where specific management skills need to be matched to the growth of the business now.
- Emergency support. When there is an unexpected problem, whether it is a sudden increase in demand or a specific project, an interim executive can usually manage the emergency.

Interim Managers often prove to be the most cost-effective way of filling unexpected vacancies or managing short-term assignments such as:

- Company acquisitions or mergers
- Company rescue or turnaround
- Business relocation of a factory
- Installation of a new computer system
- New product launch
- New market research

In short, interim managers can be used to manage any process of growth or change in the life of a company that needs specialist skills and experience.

Examples of Interim Management

As an alternative to outsourced consultancy, interim management is likely to turn out to be a more cost-effective option. Examples of key situation in which interim managers add value are when:

- A change programme needs to be project managed.
- The existing management team needs strengthening in response to new commercial opportunities or threats.

- A Company needs turning around rapidly to improve its performance or to save it from receivership - the Chairman, Group Board or major Creditors often appoint an Interim Managing Director (sometimes known as the Company Doctor).
- A business needs restructuring or returning a loss-making business to profit.
- The successful implementation of IT systems needs to be managed.
- Preparing a business for floatation, sale or merger.
- Factory productivity needs improvement.
- Inventory (stock) holdings needs to be reduced.
- A key manager has been transferred to another department of the organisation to solve specific problems.
- Specialist or technical knowledge not available in the organisation is needed - such as the evaluation of a joint venture operation overseas, the selection of new computer systems or the investigation of new market sectors.
- A director is temporarily absent due to an accident or ill health - by appointing an Interim Director until the existing jobholder returns or a new person is appointed in a permanent role.
- A family business wants to move towards a more professional organisation.
- A quality initiative needs to be installed.
- A financial department needs to be re-organised.
- The strategy of an organisation needs to be reviewed - particularly in IT-related activities.
- The organisation is undertaking a large project such as relocating a factory into new larger premises.



High profile Interim Management Success Stories

Morrisons –
After the acquisition of Safeways in 2004, profits fell from £332 million to £61.5 million. An interim manager joined in 2005 and by 2007 the business recovered, profits doubled to £332 million and Morrisons was named "Retailer of the Year".

Royal Mail –
In 2002 Royal Mail's staff were threatening strike action and the business was losing more than £1 million per day. A new chairman was appointed in 2002 who brought in an interim manager in 2003. By 2005 they had cut 33,000 jobs and closed 2,500 urban post offices. In the first half of 2008/09 its operating profit rose to £177 million.

Source:
The Daily Telegraph
29 April 2009

Advantages of Interim Management

The advantages of Interim Management include:

- Ensuring continuity of management during a search for a new chairman or executive director.
- Analysing and making recommendations for an organisation's increased profitability, productivity or marketability.
- Providing maximum cash recovery for creditors in recovery situations.

- Protecting against loss of company assets or goodwill during liquidation to enable the business to be sold intact.
- Keeping systems running.
- Helping projects to stay on track.
- Ensuring that job applicants are technically suitable.
- It's temporary.
- It's very efficient.
- It's highly professional.
- It's there when you need it.
- There's no threat to existing managers
- It brings the latest management methods to an organisation.
- It replaces a manager who is absent for whatever reason.

Interim Management is a high-value, low-risk solution for companies that have an urgent need. It's high-value because interim managers are high achievers whose task is to get results. It's low-risk because it provides access to management expertise for a fixed time span, at a fixed cost, giving:

- Access to experienced, committed executives.
- Available at short notice, for a short or long term assignments.
- Focussed approach to specific assignments.
- Cost-effective means of supplementing management resource.
- Leadership and training for other managers.
- No interference with existing management structure or succession plans.
- Objectivity and independence from existing management.

Why Interim Management?

As more organisations move towards outsourcing, so the use of temporary executives and external consultants increases.

The roles of interim managers and consultants are often confused, but they serve different purposes. Interim management involves temporarily hiring management expertise which is not available within the organisation, or which cannot be spared. Also called locum managers or leased executives, interim managers are able to take immediate high level responsibility, covering a management gap or addressing a specific short-term project. They are hands on people,

expected to hit the ground running. Interim managers take line management responsibility, make decisions and are accountable to the client company.

They make things happen. Consultants, on the other hand, collect information and give advice. Their external view is maintained throughout the assignment because they do not become part of the organisation. The consultant will need to be a skilled questioner and listener, and offer innovative ideas, but ultimately will not be responsible for achieving change.

The rise of the interim manager has been relatively recent, and many organisations are either unaware of their existence, or have never used one. Companies have remained slim, finding that flatter structures work, making the service provided by interim management grow in importance.

Consultants are a more familiar external resource. Organisations need to seek outside help in order to react to external pressures like international competition, technological change and recession, as well as the changing needs of organisations themselves. Increasingly, organisations are part of the supply chain of client businesses and authorities that require them to perform to certain standards, and consultants are ideally placed to advise in these areas.

What does an Interim Manager cost?

Interim management is designed to be cost-effective. The ongoing financial commitment normally associated with the appointment of a high-level executive is not required with interim management and there is no contract of employment, no National Insurance and no pension provision. In effect, there are no on-costs, simply a daily fee for an agreed period of time.

Typically, fees range from £900 to over £2,000 per day plus agreed expenses. In some instances fees may be higher than this, even as high as £5,000 per day, depending on the nature and seniority of the position.



The Interim Management Association

Some organisations are reluctant to take on extra permanent staff, yet because of cutbacks during recession, they have lost whole layers of management. As a consequence, companies have turned to "temp" executives" or "interim managers", as they are more commonly known.

Interim managers are normally paid on a daily fee and expenses basis depending upon their skills and type of assignment. You can find out more from the Interim Management Association at: www.interimmanagement.uk.com/

Management Consultant vs Interim Manager	Management Consultant	Interim Manager
Key Strengths	<ul style="list-style-type: none"> - Provides valuable analysis and advice based on an in-depth subject understanding - Aware of the very latest techniques - Standardised approach 	<ul style="list-style-type: none"> - Hands on with full responsibility, recommends and implements based on practical experience - Has control over the budget - Personally delivers tried and tested solutions - Leads from the front - Reports directly to the company - Provides coaching and mentoring of existing staff - In place within days due to extensive talent bank
Potential weaknesses	<ul style="list-style-type: none"> - Implementation is primarily the client's responsibility - Response and quality of service may be dictated by who is not currently engaged in other work 	<p>Success very dependent on individual's ability and experience – they may not have the breadth and depth of knowledge available to a large technical consultancy. Careful selection minimises this risk.</p>

Source: PHS Interim Management

Demand for Interim Managers rises

An Ipsos MORI report commissioned by the Interim Management Association (IMA) for Q3 2008 showed that interim management enquiries had risen by 7% from the previous quarter, despite the slowing economy and permanent job shortages.

Nearly a third of enquiries were from the public sector, where local government interims were the most requested.

The most common private sector enquiries were from banking and finance, accounting for nearly a quarter of its demand.

Code of Conduct

Some organisations operate with sensitive data and are naturally concerned that an outsider (the interim manager) coming in to their organisation may cause as many problems as those that the manager has been engaged to solve. In particular, issues such as confidentiality often raise their head. The Interim Management Association has established a Code of Practice for its members:

- Client Confidentiality, Interim Management Service Providers & Interim Managers: Interim managers and interim management service providers must preserve the confidentiality of their clients.
- Highest Ethical Standards: Service providers must behave in a manner which is beyond reproach and do nothing which could bring the Interim Management Association (IMA) or other service providers into disrepute. Particular emphasis is placed on the importance of accuracy of promotional and PR materials.
- Shared Values of Interim Management Association Members: Schemes where interim managers on assignment are incentivised to introduce additional interim assignments are prohibited. Members provide accurate statistical data about assignments and turnover within the interim management market to the IMA. The promotion of equal opportunities for employment. Compliance with legislation, particularly in regard to:
 - National Insurance and Taxation.
 - Employment Agencies Act
 - Competition Law - unfair competition / restraint of trade etc.
 - Other relevant legislation
- Fully Briefing the Interim Management Candidates: Interim management service providers have an obligation to brief interim managers comprehensively regarding the scope, duration, deliverables and contractual obligations of each assignment.
- Free Searches: In most cases, client visits, the development of an assignment brief and the search and interviewing of interim management candidates will normally be conducted at the expense of the service provider, unless notified in advance.
- Terms and Conditions of Contract: The IMA code of conduct places importance on the clarity of the terms and conditions of contract proposed by the agency. Pricing must be unambiguous and normally will be for a daily fee plus VAT plus expenses. Members of the IMA will:
 - Review the client's requirements and organisation and offer guidance on an ongoing basis about the appropriateness or otherwise of the interim management approach.
 - Develop a "brief" describing the nature of the assignment for the client's benefit.
 - Search objectively for the most appropriate interim manager/s, treating all interim managers without partiality.
 - Not put the same interim manager forward if he/she has already been proposed to the same client by another service provider.
 - Propose only interim managers who have been thoroughly evaluated to ensure a match with client's requirements. This will have involved meeting with the proposed interim manager/s.
- Complaints: Complaints may be investigated by the Recruitment & Employment Confederation.

Interim Management Organisations

The Interim Management Association represents the majority of established and leading interim management recruiters in the UK. In 2009, they also launched a new membership scheme for individual career interim managers. Their website can be found at: www.interimmanagement.uk.com

The following agencies are members of the IMA and provide Interim Managers:

Alium Partners Limited
www.aliumpartners.com

AMTEC Interim Management
www.amtecim.com

Archer Mathieson
www.archermat.com

Barnes Kavelle
www.barneskavelle.co.uk

Calibre One
www.calibreoneinterim.co.uk

Campion Willcocks & Associates
www.campionwillcocks.co.uk

Chiumento
www.chiumento.co.uk

Executives Online Interim Management
www.ExecutivesOnline.co.uk

First Counsel
www.first-counsel.co.uk
www.firstcounsel.com

Green Park Interim & Executive Resourcing
www.green-park.co.uk

Hoggett Bowers Executive Interim Management
www.hoggett-bowers.com/interim

Impact Executives
www.impactexecutives.com

IMS Executive
www.ims.uk.com

IMS Worldwide
www.imsworldwide.co.uk

Interim Partners
www.interimpartners.com

Interim Performers
www.interimperformers.com

Interregna Interim Solutions
www.interregna.com

Jackson Milne Associates
www.jacksonmilne.co.uk

Marlin Hawk
www.marlinhawk.com

Norman Broadbent
www.normanbroadbent.com

Odgers Interim
www.odgersinterim.com

Penna Interim
www.penna.com/interim

PIR – Interims
www.pir-interims.com

Rockpools
www.rockpools.co.uk

RSA Interims
www.rsainterims.com

Russam GMS
www.russam-gms.co.uk

The Interim Management Group
www.theinterimmanagementgroup.com/

Veredus Executive Resourcing
www.veredus.co.uk

WH Marks Sattin
www.markssattin.co.uk/Financial-Interims-jobs

Further Information

This guide is for general interest - it is always essential to take advice on specific issues. We believe that the facts are correct as at the date of publication, but there may be certain errors and omissions for which we cannot be responsible.

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