

Business managers' guide to interim management

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Institute of Interim Management

Accelerating Interim Success

Introduction

Whether you are running a large corporation, a small function, public sector department or not-for-profit organisation, there are times when you need, expert help - without delay.

An interim management solution can be very effective in resolving organisational problems, whether the need is for a change in direction, climbing out of a hole, invigorating a business or dealing with an unexpected situation.

This short guide addresses in straightforward terms:

- Interim management: defined
- What interim managers are engaged to do
- The interim management value proposition
- The stages of an interim management assignment
- Finding an interim manager
- Discussing the assignment with an interim manager
- How interim managers are paid
- Getting the best from an interim manager

Whether managing a crisis, delivering a critical project, handling change and restructure sensitively or simply reinforcing your in-house capability, interim managers will meet your needs, in the right time-frame, and represent great value for money.

Ad van der Rest MIIM
Chairman, Institute of Interim Management



'Believe one who has proved it. Believe an expert.'

Virgil (70 BC – 19 BC)

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Interim management: defined

Interim management is the provision of effective business solutions by an independent, board or near-board level manager or executive, over a finite time span. Such complex solutions may include change, transformation and turnaround management, business improvement, crisis management and strategy development. Interim managers are often experienced in multiple sectors and disciplines.

Interim managers bring well-qualified skills and expertise to bear at short notice, without the overheads and shackles associated with employment. They consult, plan, advise, implement, and embed the lessons, then exit, handling a range of key strategic and tactical interventions. As businesses in their own right, they offer independent expertise, free of company politics, and take responsibility for delivering results, not just offering advice.

The 'hallmarks' which differentiate professional interim managers and executives from other types of temporary or fixed-term contract resources are:

- **High-impact**. Interim managers are practised at making a significant difference quickly, assessing and working with the company culture and often with little in the way of a formal 'brief'. They do not need time to warm-up or to settle-in, but focus quickly on the work in hand.

- **Independent.** They remain outside of company politics and so are able to address issues from a position of neutrality. This can be particularly useful when difficult and unpopular decisions have to be taken. They also act as trusted advisors who tell it as it is.

- **Professional.** Interim managers are micro-businesses in their own right, usually operating as limited companies. They trade with the hallmarks of business, not employment, such as Professional Indemnity Insurance, business e-mail and often their own business website.

- **Senior.** Operating at Board or near-Board level, interim managers are managers and executives who have gravitas and credibility. They are used to leading businesses, functions, and departments. Suitably well qualified, they advise then deliver effective solutions.

- **Transformational.** Interim management is often focused on activities related to change, transition, business improvement, crisis management and turnaround. Even when their assignment addresses a gap or shortage, they add value and energise the workplace.

- **Wide expertise.** With a strong track record of completing a variety of assignments, interim managers typically combine depth and breadth of expertise in their chosen sectors and disciplines. Their agility gives them the wide-reaching expertise to deliver results quickly.

- **Time focused.** Interim managers are available at short notice. Once engaged, they will focus on providing significant value within the agreed fixed-term time parameters, seeing the assignment through to a conclusion and not staying for longer than needed.

What interim managers are engaged to do

Interim management assignments often address needs in the ‘change’ arena. Given their hugely flexible skills, interim managers will also carry out project management and even ‘gap’ or ‘resource shortage’ assignments, but it is the interim manager’s independence and authority, along with the responsibility and scope requirements of the particular assignment, that define an ‘interim management assignment’, as opposed to a contractor’s contract, or an agency worker’s temporary work.

1. **Change management.** Interim managers have the skills, experience and the nous to make change happen in the best interests of the business without becoming unnecessarily entangled in company politics. Their track record is of change in multiple businesses.

2. **Specialist skill requirement.** An interim manager can provide specialist skills not normally present in your organisation, for the period of time that you need them. As interim managers are not motivated to cling on to a job, when the time is right, and by mutual agreement, they can transfer key learning to others and move on, leaving a positive legacy behind them.

3. **Turnaround.** The expert business perspective that interim managers possess enables them to have a major impact in turnaround situations. They are the ultimate ’In case of emergency break glass’ solution.

4. **A deluxe gap filler.** Interim managers can fill gaps caused by executive absences and departures. If used wisely, they can add significant value, offering health-check and other value-added services while delivering business as usual with a ‘very safe pair of hands’.

5. **Expert additional resource.** If you need expert support for a specific project or high risk, time-sensitive activity, then interim managers are the ideal solution, bringing their expertise and extensive experience to bear on your behalf.

6. **Consultancy with implementation.** Interim managers often operate very effectively as management consultants. Not only can they assess business needs, give advice and formulate proposals, because of their experience and proven ability, they will be equipped to implement their recommendations and be held accountable for the results.

Professional interim managers are a pool of available expertise, fit for purpose and effective across a range of sectors, disciplines, functions and roles.

They are not simply available because they are between permanent jobs; they are committed, qualified, mobile, freelance executives, practised in delivering value.

Interim managers have the expertise to address ‘Business as **Un**usual’.

The interim management value proposition

The ‘interim management value proposition’, is the profession’s unique selling proposition. It is the mantra that marks interim management’s offering and scope.

- **Return On Investment.** Interim managers add value by using their skills and expertise to help deliver an outcome, solution, service or risk mitigation that provides a meaningful ‘Return On Investment’ to a client. Interim managers focus on performing and delivering those goals and objectives that add value to a business.

- **Speed.** Interim managers can be in place within days as opposed to weeks or months, which is essential when time constraints are paramount. Being practised in engaging promptly with the situation, they become effective quickly upon joining a client organisation. Because of their experience and expertise, interim managers also conduct and complete assignments effectively and with due speed.

- **Expertise.** Interim managers typically operate at a senior level in the client organisation and are well-qualified for the roles they take on. They often bring skills and knowledge not otherwise in place, to address a specific skills gap or problem. Their experience and expertise enable them to be productive and make a noticeable impact from the outset, maximising the likelihood of success.

- **Objectivity.** Unencumbered by company politics or culture, interim managers provide a fresh perspective and are able to concentrate on what's best for the business, highlighting areas that require attention. Being independent operators, they are able to contribute honestly without constituting a threat to the incumbent management team.

- **Accountability.** Rather than taking on a purely advisory role, interim managers are leaders who take responsibility for and manage a business or project in their own right. They expect to be held accountable for results, and by being instrumental in an assignment’s successful delivery they give clients the peace of mind that the interim manager has stewardship of the project very well in hand.

- **Effectiveness.** Operating at or near Board-level gives interim managers the authority and credibility to effect significant change or transition within a company. Unlike a ‘temp’, they're not just there to ‘hold the fort’. They actively add value to the client organisation as a result of their expertise and approach, even when the work and the decisions to be made are difficult.

- **Commitment.** Interim managers maintain high professional standards because their future work relies upon referrals and a successful track record. They therefore have a stake in the success of the assignments that they undertake. This contrasts favourably with some other temporary workers who may be concurrently seeking permanent employment or simply motivated by a day rate or extending their tenure.

Interim managers offer expert service
and transformational interim leadership, just when required.

The stages of an interim management assignment

The following assignment lifecycle shows how Interim Managers enter, engage with and exit their assignments. The early stages have much in common with consultancy, as the later stages have with project management, but the combination of insightful analysis and results-driven implementation is the differentiating hallmark of the interim management approach.

1. **Entry.** The prospective client and interim manager make initial contact and explore the requirement sufficiently for the client to be able to decide whether or not to engage the interim manager to address the presenting situation. This is likely to involve a 'preliminary' assessment of what the clients think they want and the boundaries of the interim manager's contribution. Typically this discussion unfolds over one or more initial meetings and results in the interim manager's provisional engagement.

2. **Diagnosis.** The interim manager researches the current situation in order to understand it, how it came about and the requirements and perspectives of various stakeholder groups. At this stage a more detailed understanding of the situation is formed as well as possible ways to address it. Issues or problems different from those initially highlighted by the client may come to light at this stage. Diagnosis may run concurrently with the handling of immediate issues and usually takes several days to complete.

3. **Proposal.** Using their expertise and experience, the interim manager presents a more detailed proposal based on what was found during 'Diagnosis' to act as the interim Assignment objectives and plan. The proposed solution may change significantly from that which was initially envisaged at "Entry' and it is possible that it may challenge the sponsor's understanding of the situation. However, expecting to be judged by results, the interim manager proposes the solution most likely to be effective.

4. **Implementation.** The interim manager takes responsibility for managing the intervention, project, or solution, tracking progress and conducting periodic feedback reviews with the sponsor. Focused on the task in hand, they get as close to the situation as is necessary, whilst remaining an independent practitioner. They may be managing teams, or projects, dealing with crises or transformations or filling a management or executive gap with added value expertise, professionalism and effectiveness.

5. **Exit.** As the assignment comes to an end, the interim manager, will ensure that objectives have been met and evaluated and that the client is satisfied. This stage may involve the finalisation of knowledge and skills transfer, sourcing 'business as usual' successors, and sharing lessons learnt in the process. Because the interim manager is focused on the success of the assignment and not simply the length of their own tenure, this stage will be carried out professionally. Finishing the engagement may mark the end of the interim manager/client relationship, but sometimes interim managers continue to give occasional ad hoc consultancy depending on the needs of the situation.

Interim managers arrive quickly,
engage effectively for as long as required, then leave.

Finding an interim manager

How you source an interim manager will depend on such factors as the urgency of your need, your experience of the interim management market, the level of assurance you require and the time and budget at your disposal.

Interim managers are sourced by the following means in approximate order of popularity:

1. Using an Interim Service Provider (interim management agency).
2. Contacting a previously used interim manager, or an ex-employee who is now an interim.
3. Using your networking contacts to be referred to or to meet an available interim manager.
4. Searching for an interim manager on LinkedIn or otherwise searching online.

Sourcing via Service Provider

If time is pressured, or if you are looking for an additional level of assurance or recommendation, then you may find it beneficial to utilise an Interim Service Provider. These come in the form of:

- Specialist Interim Service Providers
- Executive search firms who have specialist interim management practices
- Mainstream recruiters who have specialist interim management practices
- Consultancies with interim management associates

See the IIM's extensive list of leading Service Providers on its website http://www.iim.org.uk/providers/.

Checking your network

Check your address book or search LinkedIn using the search term 'interim' and you are likely to find people you already know come to light among your existing connections. This is a cost-effective and trustworthy search method. They can also refer you on if they are not the right person or not available.

If you have the time, use your connections to find a suitable interim manager for you. Interim managers trade on their reputation so good ones do become known. A longer-term strategy is to keep the details of pertinent interim managers you encounter for further reference. Even if they are not right for your requirements (which they will be honest about) they can help you find someone who is.

Searching online

There are many other online search methods, both paid-for and free. These include simply Googling for the interim manager you need, as they have good online presence. You could also use interim assignment boards, interim management groups on LinkedIn.

You can access interim managers via the Institute of Interim Management website www.iim.org.uk. The IIM also has a LinkedIn group where you can look for or post for an interim online: "Available Interim Managers and Assignments": http://www.linkedin.com/groups/interim_managers-3707455

Discussing the assignment with an interim manager

Professional interim managers will want to focus the client business discussion upon the assignment, project, issue, or requirement highlighted. They will be delighted to discuss their expertise, prior successes and approaches to the situation. However, businesses who attempt to 'interview' the interim manager as if they were a permanent employee run the risk of having a 'cross-purpose' conversation that fails to unlock the 'added value' of the interim manager.

- Don't think of the meeting as a permanent 'interview'. You are not comparing a 'candidate' to a 'Business As Usual' permanent role that you fully understand. You are engaging with a professional specialist for a finite period to address a finite project or situation.

- Naturally you should assess skill, expertise and behaviour. It is important to explore the applicant's skills, expertise and key behaviours, even though they will be within your organisation for a short time. Challenge them on how they have implemented other assignments and look for evidence of the interim manager's effectiveness.

- Balance the discussion so that the current situation is addressed. Once you have explored the interim manager's skills, expertise and behavioural approach, they will want to question you about the business issue or project and the business drivers, to better focus their proposal ideas. This is normal. Expect the interim manager to reference their suggestions with some further examples of their achievements and implementation strategies.

- If you follow a set structure where the meeting format must be 'pre-scripted', build in open sections. Particularly in Public Sector organisations, due to a wish to have a uniform process, structured or competency frameworks are used to 'score' the 'applicant'. Interim managers are there to provide a solution, so don't construct your process so narrowly so that you 'engineer out' chances to discuss approaches and proposals you had not already thought of.

- The interim manager may not agree with your initial plans. Interim managers are focused on providing the best solution to the situation. This may not be what the business first expects it to be and the interim manager may even challenge the understanding of what the problem or situation is. Discussing this is normal and is helpful to the business.

- Interim managers are accustomed to moving at speed. If there is a pressing issue, setting up multiple 'interview' stages and introducing various 'gatekeepers' before meeting the 'owner' of the situation is unhelpful. The situation 'owner' is ultimately best placed to judge the interim manager's proposals.

- There is different 'additional information' to an employment interview. Interim managers will have researched your company and of course 'company benefits' don't apply. You could usefully validate their interim management credentials such as their 'own business' structure, Professional Indemnity Insurance, professional memberships and evidence of Continuing Professional Development in their field.

An interim business meeting combines an assessment of the interim manager and a focused discussion to qualify and address the business issue or situation.

How interim managers are paid

Interim managers typically charge by a ‘day-rate’ based on their track record, function and seniority. Depending on how sourced, clients are invoiced by the interim manager or the service provider.

If you are buying direct, the interim manager will negotiate a day-rate directly with you. Sometimes they may consider a fixed fee, part-payment by results or other arrangement, depending on the work. If the interim manager comes to you via a service provider, then the provider will take a fee (margin).

An interim manager is an independent professional who charges on the basis of adding value to the business. That value might be judged by extensive cost-savings, revenue and/or profit growth, significant risk mitigation, or the provision of key services that may not be able to be done within your organisation currently. Interim managers both advise and implement, often in challenging conditions. They expect to be rewarded for making a big difference, not simply for ‘turning up’.

Agree a rate that reflects the value you receive from the interim management solution offered. Don’t mistakenly value the ‘interim day-rate’ based on the pro-rata cost of an ‘equivalent’ permanent. If this trap is fallen into, you may significantly reduce the likelihood that a genuine professional interim manager or executive will express interest in your assignment and be more likely to attract applicants who are marking time between permanent jobs. Also, money saved on the rate may be swallowed up in time delays and recovery costs if the assignment is not implemented properly or if the person leaves you in the lurch.

Interim managers are neither employees nor agency temps, both of whom carry hidden costs, including company NI, benefits costs and variable employment costs. You should factor in holidays, bank holidays, sick days, jury service, training days, ‘burst boilers’ and compassionate leave days that you pay for. The following approximate figures give a sense of what your employees actually cost:

Employee base pay:	**100%**
Company National Insurance	12% * rounded: variable due to limits and caps.
Car allowance	8%
Medical, life insurance and other benefits	4%
Pension	8%
Senior employee bonus	15% * often more depending on sector
Holidays, sickness, training	20% * employee is not working but you still pay
Fully loaded employee cost:	**167%**

Interim managers, depending on expertise and seniority, typically charge from around £400 to around £2,000 per day. That is without the two-thirds on top costs you pay senior employees and you only pay the interim manager for the days worked.

Employers offering ‘pro-rata’ employee base-pay rate to an interim manager are offering a rate of only c.60% of the ‘equivalent’ employee's package. When setting your rate, do you want your assignment to attract a professional interim manager or will any ‘temp’ or available person do?

For real added value, don’t use an ‘agency temp’ or ‘perm equivalent’ pay calculation to attract a professional interim manager.

Getting the best from an interim manager

Once you have engaged a professional interim manager, you have a powerful resource in your corner. Give them the access and resources they need.

- **Expect a rapid start.** Interim managers typically add value very quickly. Long induction processes are not needed. Give them the contacts and authority to get on with it.
- **Allow responsibility and control.** Interim managers are capable of judging how best to approach and control the assignment. So let them have the responsibility to implement.
- **Meet regularly.** Keep up to date and discuss assignment progress as it proceeds. Engage with the interim manager in these meetings to support their implementation.
- **Interim managers manage.** Don't confuse an interim manager with a lower-level contractor. Interim managers should be given appropriate management responsibility, for direct management of individual employees, departments, divisions or companies.
- **Interim managers hold budgets.** Don't shackle the interim manager with red tape. They should have no less budget holding or 'sign-off' authority than an equivalent executive.
- **Don't expect them to behave as employees.** Let them operate aside of the politics and hierarchy of an organisation. They are not there to supplant permanent employees. They are accomplished at being as close to - or as apart from - the organisation as required.
- **Use their experience.** Interim managers are certainly well qualified, but they are unlikely to stay, so their experience is of no threat to incumbents. Use their knowledge.
- **Let them tackle difficult and sensitive work.** Interim managers are adept at appropriately pointing out 'elephants in rooms'. Not tied to employment, they are well placed to address uncomfortable truths, difficult discussions and unpopular activities.
- **They may tell you things you didn't expect.** Interim managers can professionally and candidly share with you things that you need to know, regardless of political expediency. What you do with the information is up to you, but the insight can be priceless.
- **Let them leave a legacy.** Interim managers are a great source of knowledge and development for the people they come into contact with. They do not have an interest in hiding or hoarding their knowledge because they do not have a permanent job to defend.
- **Endorse them on success.** As independent businesses interim managers rely on client endorsements, which they can use for marketing purposes. They will appreciate that.
- **Keep in touch.** Interim managers may provide coaching and support on an ad hoc basis, outside of an assignment. They may be able to help you in the future so stay in touch.

Interim managers need the authority and control to make a difference, or it will be as if they have one hand tied behind their back, reducing their value to the business.

Conclusions

Professional interim managers provide organisations with a seasoned flexible capability and resource to achieve a wide range of outcomes. They give added value in their ability to transfer skills and competences into organisations and to drive outcomes in the most challenging circumstances.

Their commitment to a comprehensive exit plan is a unique, transparent offering of great benefit to customers. Executives and businesses that have used interim managers previously, are a major source of new assignments because they have a clear recognition of the delivered value.

Interim managers are catalysts for change across all sectors of public and private enterprises. Their career choice gives them an independence and objectivity, enabling confident and effective interventions as:

- transition leaders
- change agents
- turnaround and efficiency specialists
- solution providers
- fire-fighters *and*
- trouble-shooters.

They operate primarily at management and executive levels with proven ability to deliver at all levels, combining knowledge, technology, process, and people skills.

Titles, however, rarely trouble interim managers.

Interims are initially judged by their personal capabilities and finally by their results.

About the Institute of Interim Management

The **Institute of Interim Management (IIM)** is the pre-eminent professional membership body for practitioners of interim management in the UK.

The IIM operates as the voice of the interim management community. Since April 2001 the Institute has supported, promoted and represented professional interim managers and executives.

http://www.iim.org.uk



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