



# Out of the shadows

Unlike consultants, interim managers can implement change. However, given the current set-up of the profession, do companies really know what expertise they're hiring?

In theory, you might assume that the condition of the economy makes this an ideal time for interim managers. The reality is proving somewhat different.

'We've seen a few recessions come and go,' says Charles Russam, chairman of interim management provider Russam GMS. 'The broad truth is that when business goes down, interim goes down. That's because there is less volume and so people don't spend money. Instead, they fire people, and that means they don't take on consultants, interims or contractors.'

It's understandable that companies that are looking to cut costs are reluctant to hire the skills of an interim, given that fees average at around £600 to £700 a day. A survey of 10,000 interims by Russam

GMS found that just under 70 per cent of respondents were seeing greater competition to win assignments and a general decline in demand.

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'Historically, the best time for interims is when the economy is good and people decide they want to do things immediately,' reflects Russam's chairman. 'They may not have the staff with the

necessary skill set but they don't mind spending a few hundred pounds a day on bringing someone in who can take the company forward.'

## PAYING FOR QUALITY

David Harries, a director at the Interim Management Association (IMA), observes that work for its members remains plentiful in the public sector, while the private sector has definitely seen a dip. 'Some people who have never used an interim may be concerned about the cost, but those who have used one understand the value that an interim can provide,' he says.

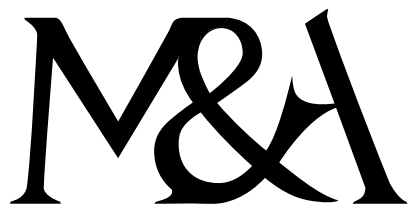
One of the problems, argues Harries, is that business leaders who find themselves out of work are now vying

for interim assignments. 'Unfortunately, the waters are getting muddied by executives who are claiming to be interims.' It's the professional equivalent of mini-cab drivers taking work away from licensed cabbies.

'There is a big difference between consultants and interims. A consultant will advise you on what ought to be done, whereas an interim can make those suggestions while also having the expertise to implement the changes,' adds Harries.

#### IDENTITY CRISIS

For a seasoned interim manager like Philip Jarvis, the real problem is that the profession needs to organise itself properly. 'We really need to clarify what we mean by "interim" and how there are different skill sets to address a client's particular need. If you just slam down the term "interim", it's too generic.'



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The current homogeneity does a disservice to the breadth of talents on offer. Jarvis, who has worked on countless assignments, such as print processor specialist DigePrint, where he was placed by the interim agency Intramezzo (see box) and within five months secured £1.25 million to bring a new product to market, argues that specialisms should be clearly stated. For example, professionals could describe themselves as interim change managers, interim hold managers, interim "try before you buy" managers or interim risk managers (usually operating on an equity basis).

#### MIXED BAG

Such differentiation would stoke greater confidence among companies and make proper use of the abundance of talent out there. For Jarvis, too many interim players are glorified recruitment agencies.

'It can be an easy way to generate high revenue. They try to glamorise it and talk about change management and impact management and all that, but for most of these organisations those kinds of assignments form the smallest part of their business. They're mainly recruitment people, so when someone phones up and says they want change, that can be a tricky one.'

Unfortunately, it's growing businesses that may be the real losers in the current situation. 'We have a flood of executives at the moment,' continues Jarvis. 'If the market was organised, everybody could really benefit.'

'A smaller company operating in the UK that is looking to go global, for instance, could find it extremely useful to use an executive – even if it was only for six months – who has been laid off from a large corporation and is ready to share their international expertise.' ■

#### KNOWLEDGE IS POWER

If your business is heading into the commercial equivalent of A&E, calling in the services of an interim might prove life-saving. Dermot Hill, a director at interim supplier Intramezzo, says that interims 'come into their own in turnaround of distressed situations'.

Given that these assignments tend to be time sensitive, Hill states that finding an executive with the appropriate sector expertise is essential. 'The skills of a financial director are pretty transferable and you might think they'll know how to turn companies around with the best of them. But if you have someone with the knowledge of the marketplace they're working in, suddenly the turnaround options become much better.'

'They'll know who to go and speak to in the sector and what particular angles and themes to adopt to make their pitch particularly attractive. Any old FD won't have that cutting-edge knowledge to make the difference.'

#### ROCKY RIDE

Hill suspects that the skills of interims may be more keenly sought after as the outlook for many companies is only going to get bleaker over the coming months, especially as businesses have to repay their deferred taxes to HM Revenue and Customs.

'Companies are taking advantage of that, but the sums that are mounting up are huge,' he notes. 'In a lot of instances, this will prove punitive to the point of being terminal.'

Unless, that is, management teams start biting the bullet and admit they need assistance. 'CEOs may feel like they're delaying the inevitable, but if they act now they can prevent what they think is inevitable from happening,' says Hill.

*For more information on interim provider Intramezzo ([www.intramezzo.co.uk](http://www.intramezzo.co.uk)), contact Dermot Hill on 020 7520 9290 or email [dhill@intramezzo.co.uk](mailto:dhill@intramezzo.co.uk)*